

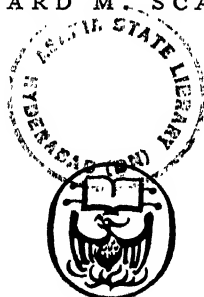
# Germany and the Future of Europe

27402

EDITED BY HANS J. MORGENTHAU

# Germany and the Future of Europe

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## PREFACE

SINCE Bismarck unified Germany in 1870, Germany has presented a problem to the rest of the world. Germany is the most populous and the most disciplined nation in Europe and has at her disposal an industrial potential inferior only to that of the United States and of the Soviet Union. In one word, Germany, by her natural equipment, is the most powerful nation in Europe and, if nature is allowed to take its course, is bound to gain control over all Europe. Yet it is this control which the nations of Europe refuse to accept; to forestall it, they have fought two devastating wars.

The problem which confronts us, then, is how to reconcile the natural superiority of Germany with the political interests of the rest of the world. This problem is at present complicated by the conflict between the Soviet Union and the Western world, of which Germany is one of the main theaters and at the same time the principal prize; for who controls the manpower and industrial resources of all Germany is likely to have gained a decisive advantage in the struggle for the domination of the world. Yet the control of Germany means first of all control of the minds of the Germans. Thus the German problem presents itself to the Western world in three different facets: to prevent a resurgence of German imperialism, to restore Germany to political and economic health, and to deny German resources and allegiance to the Soviet Union. To accomplish any of these three tasks separately would tax the wisdom of any statesman. To accomplish them simultaneously is indeed a task of gigantic proportions.

In this volume a number of experts from leading universities as well as from the Department of State, assembled at the Twenty-sixth Institute of the Norman Wait Harris Memorial Foundation at the University of Chicago in the late spring of 1950, explore the German problem in its social, economic, constitutional, and political ramifications. Their contribution is threefold. They clarify the fundamental problems by penetrat-



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ing to their core through the emotional fog which obscures them so often in public discussions. They develop the alternative solutions which are feasible under present circumstances and lay bare their probable consequences. Finally, they try to detect the trends which point toward future developments most likely to occur and propose the policies most likely to succeed in meeting these developments.

HANS J. MORGENTHAU

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# GERMANY AND WESTERN CIVILIZATION

By REINHOLD NIEBUHR

THE tragic destinies of Germany and Western civilization are curiously interwoven. The almost mortal wound which our embattled civilization inflicted upon Germany in overcoming a terrible tyranny which had become localized in her life is only a little greater than the wound which we ourselves suffered in this engagement. The sorry plight of this defeated nation is symbolic of the plight of a whole civilization, which moved so quickly from the hopes and optimism of the nineteenth century to the sorry realities of the middle of the twentieth century, when cold wars and the possibility of atomic annihilation cast a pall of doom upon our whole future.

It would be wrong to hold Germany responsible for all our ills. A really healthy civilization would not have been subject to the two rebellions against its standards in both of which Germany is curiously involved. The tenets of Marxism were first elaborated on German soil, though they grew to fruition in Russia. The tenets of the Fascist rebellion were first stated in Italy, though it was in Germany that they achieved such a menacing power. To make matters more complicated, the nation which incarnated the Fascist menace, and which we almost destroyed in order to achieve the defeat of tyranny, has now become the spearpoint of our defense against the second peril, or rather against the original peril of communism, which has outlasted the interlude of Fascist tyranny.

We defend our civilization against both of these perils with a good conscience because we believe that an "open" society, such as we have achieved in the Western world, is a boon not to be sacrificed lightly. But we would do well to recognize the weaknesses in our civilization which made these rebellions possible, even as we must try to understand the characteristic vices and virtues of Germany which made her the locus of both rebellions.

The free society of Western civilization, for all its virtues,

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was partly based upon the illusion that a free play of all historic forces would automatically make for justice. This was a grievous illusion, particularly when it was introduced into history at the precise moment when modern techniques were transmuting the static injustices of a feudal society into the dynamic disproportions of power of an industrial age. Those who suffered most from the illusion of an automatic justice were bound to revolt against it. Unfortunately, the revolt was informed by a political religion which supplanted bourgeois illusions of an ideal harmony of all social forces with the more dangerous illusion of such an ideal harmony on the other side of a revolution, toward which all forces of history were supposed to be moving. This vision of an ideal universal and classless society legitimized every cruelty in which men engaged in its name. This new religion, falsely assuming that egoism is identical with greed, and that the power of ownership is identical with economic power, thought that it could destroy egoism by destroying economic power and imagined that the socialization of property would destroy economic power. As a consequence of all these illusions it has created a monstrous oligarchy which combines economic and political power in its grasp and which operates without check upon its lust for power. Never in the whole history of mankind have men been offered so false an alternative to a previous falsehood. We must fight resolutely against it even when we admit that it gains its plausibility partly from the real errors in the bourgeois conception of life.

If Marxism is a kind of historical rationalism, set against a too naturalistic rationalism of bourgeois liberalism, fascism is a kind of historic vitalism set against a too naturalistic conception of human vitalities which fails to understand the boundless character of all human ambitions and desires. Fascism has its cultural roots in romanticism. It appreciates the historically unique in opposition to the too simple rational universals of our culture. It glorifies the race, the nation, and every collective expression of life as against a false and atomic individualism and universalism. And it falsely makes power self-justifying in opposition to a culture which had falsely eliminated power from the calculations of justice.

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The Fascist revolt is obviously more perverse than the Communist one. There is only a modicum of truth in it. We defeated it by marshaling more power in the name of justice than it could marshal in the name of pride. Communism is not so easily defeated. Its tyranny may be strikingly similar to the Fascist variety, but it draws its spiritual strength from moral utopianism rather than moral cynicism. Being a deeper corruption of the universal ideals of Western civilization, our engagement with it will be more prolonged and will require more than military might for its conquest.

The fact that Germany was, in a sense, the locus of both of these rebellions points to some remarkable potentialities in German life, both good and evil. Germany was one of the most highly developed nations, technically and culturally, in the Western world. This is not the first time in history that insanity has grown out of a deranged precosity. We cannot enumerate all the virtues and vices which contributed to the German disaster, though it is very important to refute the naïve notions of some modern social psychologists who imagine that every collective evil is but the cumulation of private vices. More frequently collective evils arise out of misplaced private virtues. The virtues of German diligence and cohesiveness became an evil when they furnished the Fascist monster with the sinews of war. The virtues of German cultural profundity were, on the other hand, curiously related to the tragic political ineptness of the German people, their inability to make the compromises and to indulge in the give-and-take which makes democracy possible. Furthermore, the development of an industrial revolution without a genuine revolt of the middle classes against the feudal order had brought the tradition of feudal militarism into conjunction with the efficiency of an industrial civilization. These and many more reasons made Germany the locus and the instrument of one of the most monstrous evils against which our civilization has ever contended.

Since our defeat of Germany we have been engaged in an effort to "re-educate" the German people. This effort has not been too successful because remnants of wartime hatred and vindictiveness were bound to be mingled with the pride of vic-

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torious nations, which imagined that their victory was proof of their democratic virtue. We probably would have failed completely but for the fact that historical destiny changed our roles. Victors and vanquished gradually discovered themselves comrades in arms against the Communist peril. Step by step this fact is changing the whole situation between Germany and the Western world.

There are those who are embarrassed by this turn of events. They believe it to be morally embarrassing to claim the foe of yesterday as an ally against the foe of today who was an ally yesterday. We ought not to be too embarrassed if we recognize certain facts about human history in general and about our Western history in particular.

1. If we are certain that Western civilization must be defended against both the Fascist and the Communist tyrannies, there is no reason why we should allow some abstract logic to prevent us from meeting the exigencies of history as they arise.

2. This sudden turn of events might well remind us that the virtues and vices of nations have a shorter run in history than they imagine in their pride. Just nations usually cover themselves with injustice in the hour of their victory. We cannot deny that one of the greatest hazards to German health today, the problem of the nine million expellees, was created by our acquiescence in an act of injustice. We must not imagine that Germany is now a healthy nation, for there are many moral and spiritual vestiges of the ills and vices in her life which brought about her disaster. She is, on the other hand, a more resolute opponent of tyranny than any other European nation, partly because experience under one tyranny and close juxtaposition to another have left her with few illusions.

3. We may be grateful that bitter necessity has taught us the limits of punishment in redeeming a nation. If left to ourselves, we would have tried to redeem Germany by various forms of restrictions, some of which would not have been without justification in view of her past sins. Nevertheless, punishment has only a limited efficacy. The redemptive force in the life of nations is community. Germany required above all to be drawn back into the community of nations, to overcome her spiritual isolation

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and to achieve some degree of economic and moral health. All these possibilities might have been denied her until we discovered that we could not save ourselves without her. Her industrial power is needed for the whole of Europe, even as her economic health is required to prevent the spread of communism in Europe.

As we review the history of the last five years, we can already detect one error after another, made in our pride and in our hatred, which we must now rectify in the interest of our common perils. We may be particularly grateful that France, whose ancient feud with Germany might have wrecked the unity of the Western world, has found a way of harnessing the energies of Germany while at the same time guaranteeing that her new power will not be used aggressively against the West.

There is no certainty that Germany will be fully restored to health. It is possible that, even with this new sense of community with the Western world, Germany will lack sufficient economic health to make her moral convalescence certain. Even the most hopeful predictions for Germany's future do not bring hope to the hopelessness of her millions of expellees, who may never be integrated into her economy. Furthermore, Germany pursues a political course of such orthodox liberalism that the higher living standards of the western zone, as compared with the eastern, are not so impressive as they might be because there are such glaring inequalities, not to say iniquities, in its distribution of wealth. Whether we or the dominant political party of Germany (in which clericalism is curiously mixed with republicanism) is primarily responsible for this turn of affairs it is difficult to say. We have obviously pressed upon Germany economic and political notions which we do not practice ourselves. In an economy of scarcity these produce rather fantastic results.

We cannot guarantee that the expellees may not create in their desperation various forms of political extremism. Nor can we be certain that the authoritarian molds of German education will be broken. Germany is still a risk. But, fortunately, the Western world has been driven by necessity, if not by imagination, to accept this risk.

We, on the other hand, have discovered, particularly in the



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dramatic battle for Berlin, that the German people (at least the people of Berlin) are very staunch allies. The preservation of this outpost of the free world in the very heart of totalitarianism has had the most wholesome effect upon the morale of the whole of western Europe and indeed upon the whole free world. Germany may retain some of her old weaknesses; but she has gone through the fire and has been purged, and in that purging she has acquired some new resources.

The moral and spiritual gains of this new comradeship between Germany and Western civilization are of course purchased at the very high price of the division of the world between two great centers of power—a division which involves the painful disunity of Germany as a nation. Even a nation with a history different from Germany's would be tempted to various nationalistic aberrations by this fateful division. Yet we must seek to preserve both our own health and that of Germany within terms of this division. We as well as the Germans must cease harboring illusions in regard to this situation. Germany's eastern provinces will no more be returned to her than Germany will be unified, for only a war could return those provinces; and, even if a settlement with Russia were possible, certainly one price which would surely have to be paid for it would be the acceptance by the West of the Oder-Neisse line.

There are periodic expressions of hope in both Germany and in our whole Western world that the conflict between ourselves and Russia might be sufficiently composed to allow for the unification of Germany. But the unification of Germany is precisely as impossible as the resolution of the whole conflict. The Russians would not unify Germany on our terms, because free elections would mean the loss of their part of Germany. We, on the other hand, cannot accept any solution acceptable to the Russians, because their terms would mean that Germany would become a power vacuum which would be filled by Communist power almost immediately after the signing of any agreement.

We will all do well to accept this situation and work out our salvation in terms of it. The Russians are informed by a political religion which promises them the disintegration of our world

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by its own "inner contradictions" and the triumph of their system by the logic of history. They will not be disposed to make real concessions so long as they are buoyed up by this hope. We, on the other hand, have learned that peace is possible if we can contain the Communist advance.

We do well to make periodic offers to the Russians for the unification of Germany on democratic terms, as the high commissioners recently proposed. But we can hardly expect the offers to be accepted. If the Germans find the prospect of continued separation very painful, they may be reminded that it is only slightly more painful than the division of our world, which we must all bear.

Within this divided world there are no immediate prospects of real security and peace; but neither are there as great dangers of imminent conflict as is frequently supposed. The fact is that we can preserve peace for a long time to come if we can preserve and restore the health of the free world. The peace of the world will be preserved by the preponderance of our power; but we must hasten to add that the power which is required is not primarily military power. Some of our military men and many of our citizens cannot imagine an international peril which cannot be countered by military might. But surely one of the distinguishing marks of communism is that it relies primarily upon ideological weapons and methods of political intrigue. Military strategy is secondary in its calculations; and it must be secondary in ours. We will not face Russia in military conflict unless either we have lost the moral and political battle and have been driven by desperation to make a final military stand or Russia has lost the battle and is beguiled into a final desperate venture.

If we recognize the primacy of these moral, political, and economic factors in our struggle with communism, our policy toward Germany will be primarily concerned with the establishment of economic health in Germany and her integration into the Western economy. We would do well not to press the political integration too far, because it cannot be expected of Germany that she take actions which would seem to make the loss of her national unity irrevocable. All neat constitutional sys-

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tems for the integration of the Western world leave somebody out who ought to be included and try to take somebody in who is not quite ready to commit himself absolutely. A European union without Britain or America will lack the power to contain Germany and to allay the rightful fears of other peoples on the Continent. An Atlantic union makes too sharp a distinction between European and Asiatic nations. We must not confront India with absolute choices in this contest, for instance. All consistent schemes for unity tend to be irrelevant. What is important is that nations which have been thrown into a genuine community of common destiny should express their sense of that community through loyalty and a sense of continuing responsibility.

We cannot come to terms with the problem of Germany and Western civilization without finally introducing that strange new element in the equation, namely, our own country. The fateful events of the past decades in which Germany was destroyed as a great power and which reduced Britain to secondary rank have lifted us up to a precarious eminence in the community of nations. We have achieved this position primarily through our technical efficiency and our economic might. There are certain hazards to the success of the grand alliance of free nations which derive primarily from our position in this grand alliance. We will be the more likely to succeed if we are modest enough to admit these hazards. In every case our relations to Germany, which we have in special tutelage, are but vivid symbols of the total relation which we have to the European world.

The encouragement of a *laissez faire* economic policy by us in Germany, even though we are not solely responsible for this dangerous venture in a poor world, is symptomatic of the dangerous parochialism of American political thought in its relation to Europe and Asia. We are inclined, because of our wealth and other fortunate conditions of our existence, to trust purely automatic controls of economic process and to express an abhorrence of political power which gives an unjustified moral advantage to the position of economic power in modern society. We are, in

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other words, inclined to press upon the world precisely those ideals of a purely libertarian democracy which were found wanting in Europe in the past century and which created the proletarian revolt against a bourgeois society. Our influence in this direction has an added fantastic character because we actually seem to require a purer practice in Europe than we are ourselves inclined to observe. A democratic administration in Europe acts as if Robert Taft were President. The disadvantages of this procedure are particularly obvious in Germany, but they are only more vivid examples of the loss of prestige to the democratic cause everywhere.

Our nation will never be able to sustain its leadership in the grand alliance of free nations if it does not learn at least as well as the Romans once learned to recognize the limits of their own way of life in dealing with other nations. The so-called "free world" will never justify itself by freedom alone. The problem of modern technical society has always been how to achieve justice within the framework of freedom and how to preserve freedom within a framework of justice. The Communist dogmatism solves that problem by annulling freedom. It is only because its answer has proved to be so intolerable that a provisional toleration has been established in Germany for other false solutions. There are no absolute solutions for this problem. We can preserve a free society only if we seek solutions modestly point by point. In Germany, as in the rest of Europe, the democratic socialist parties have become almost as sterile as the conservative parties in seeking a solution.

Our cultural relations with Germany are also a vivid symbol of the cultural relations to our whole world. Our denazification program, with its abortive effort to determine the nice shades of complicity of various individuals in the vast collective guilt of Germany, betrayed an individualistic approach to collective problems which Europe finds difficult to understand. We were right in jailing the actual Nazi criminals, but we did not understand sufficiently that collective evil colors all individuals in the collective. The restoration of a nation to moral health requires not so much nice distinctions between Nazis and anti-Nazis (which is particularly difficult because the vast majority of any

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nation are not explicitly one thing or another) as it requires the creation of the basic molds and norms for collective health.

There has also been a certain tendency to commend every aspect of our life to the Germans as normatively democratic. We would do well to recognize that we are dealing with a nation with rich cultural traditions. They are, despite their recent corruptions, in many respects superior to our own. We are not so uncultured as the whole of Europe in its envy would like to believe. But neither are we superior in every discipline of life. We might be more successful in democratizing the German schools and universities if we were more ready to acknowledge the remnants of the great academic disciplines in those universities which once placed the world of Western culture in their debt and may do so again.

The fate of Germany and of the whole Western world does not depend on us alone. But the degree of our power makes our own attitudes very determinative. The question is how well prepared we are to bear continuing responsibility in an insecure world. We are more than ordinarily tempted to hysteria because we have always been accustomed to safe investments rather than the calculated risks to which we must now commit ourselves. Our whole culture has poorly prepared us for living in this kind of insecurity and illogicality of a situation which is neither war nor peace. Our realists would like to make it more consistent by a preventive war. Our idealists propose various abstract solutions which beguile us from present responsibilities by irrelevant ideal proposals, all of which are constitutionally and morally too neat to fit the contradictory facts of our situation. Furthermore, they consistently underestimate the intransigent fanaticism which confronts us, because our whole liberal culture is unwilling to recognize the demonic fury which may appear in human history.

We will no doubt be unable to exercise our vast power with perfect justice. The question is whether we can achieve a tolerable justice. We will not be able to assure a secure peace for a long while to come. The question is whether we can resist tyranny in such a way as to assure both peace and freedom in the end. We must assume responsibilities without being certain of

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their ultimate consequences; and we must do our duty without knowing whether our tasks will be crowned with success. In this situation, which is the old human situation in more vivid terms, we must learn anew the meaning of the words, "Sufficient unto the day are the evils thereof." We have counted too much on the future to justify our work. We must find more self-justification in the tasks which each moment of history presses upon us.

All life and history is more fragmentary, our duties are more hazardous, and our loyalties are more contradictory than our culture had assumed. That is one reason why it is so difficult to adjust ourselves to the realities of a historic situation in which there is neither peace nor war and in which we must pursue policies which preserve both peace and the integrity of our civilization. We do not solve our problems by striving after absolute consistency but rather by discerning our most pressing duties within the inconsistencies of history.

## GERMAN FAMILIES TODAY

By HOWARD BECKER

FEW aspects of German life have been more frequently "explained" by the use of rubber-stamp phrases than *the* German family. Almost everyone, for example, has picked up somewhere the famous three *K*'s: *Kinder*, *Küche*, *Kirche*. But "children, kitchen, and church" fail to account for the conduct of all German married women, much less all German women, even though Germans themselves, and not merely outside observers under the sway of stereotypes, often mouth the phrase.

The Nazis were more realistic; they knew quite well that the three *K*'s did not, in actuality, dominate German women, and they set up programs designed to bring such domination to pass. For a time some success attended their efforts, but the total drift of events was too much even for totalitarian planners wielding all the power of a ruthless police state; and long before the final collapse the failure of the programs was tacitly admitted.

This is not to say that German families, and the place of women in them, are the same as American, for instance—if we may provisionally use "German" and "American" as blanket terms. It most emphatically is to say, however, that analysis of German families must continually take account of existing stereotypes, with the result that there sometimes seems, among cautious writers, more concern with pointing out what German families are not than with stating directly what they are. The present discussion is no exception; although there will be an effort to avoid this kind of "negativism," it cannot be dodged altogether.

Witness the fact that it is implicit in any attempt to differentiate among varieties of German family; such differentiation necessarily breaks up the neat, cartoon-like image of the bossy, arrogant father laying down the law to the cowed, meek *Hausfrau*

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who hands him his pipe and slippers and hushes even the apprehensive whispering of the pitiaibly docile children. The most that can be done here is roughly to indicate possibilities for study of fairly obvious differences. "Possibilities" are all that can be pointed to; existing studies are few, and those few often do not hold the family clearly in focus—they merely include it in a more general picture of differentiation in German life.

This is true, for example, of the regional studies; still, we must be thankful for them. It is humbling but at the same time instructive to be made aware of the great diversity that existed as between Suabia and Farther Pomerania, Upper Bavaria and Westphalia, and that persists today in spite of the war and the heterogeneous concatenations of regional exiles piled up by its aftermath. In a study published in 1945,<sup>1</sup> but written in 1943, I singled out sixteen main sociocultural regions, but I was merely following in the track of writers who could and did make even finer subdivisions. My criteria were crude, for I was concerned primarily with making a working guide for occupation officials who knew little of Germany and who would be impatient of subtleties even if I had been fully prepared, as I was not, to provide them on the basis of firsthand knowledge. At the same time I am convinced that such regional differentiation is rooted in hard facts, particularly where peasant life is involved, and that family differentiation is bound up with them too. Take the striking differences between (1) the splinter-farm families of Hesse, where the men make the pendulum-swing to outside wage employment daily or seasonally and the women do the greater part of the farm work, and (2) the families on the good-sized *Marsch* farms of the Frisian fringe of Schleswig-Holstein, where the sight of a woman in the fields is a rarity and the men are sturdily self-sufficient proprietors with ground and stock enough to keep them busy full time. Or take the well-marked differences within Hesse itself of which I recently became aware as a result of direct field study: a meandering but nonetheless definite line separates families in which the entire farm goes to one heir at the death or retirement of the parents from other

1. "Peoples of Germany," in T. C. McCormick (ed.), *Problems of the Postwar World* (New York: McGraw-Hill Book Co., 1945).



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families in which, as their neighbors across the line put it, "the spoon on the table is divided." The practice of entail or of division has nothing to do with confession; Catholics and Protestants alike are found on both sides of the line. As might be expected, there is clear difference in family structure as well; within the family the status of the parents and of the heir or the heirs varies along with the property-transmission pattern, and of course outside it also. It may be added that, except for the Nazi interlude, there has never been a law forcing entail; it is simply folk practice, but nonetheless powerful for that. As soon as the Nazi *Erbhofsgesetz* was set aside, the region in which division had formerly prevailed went right back to division, and the region in which entail had been traditional as well as legally enjoined carried on with the tradition when the legal prop was taken away. Hence, if we were to be precise, we should have to talk about Hessian peasant *families*, not the Hessian peasant family.

More obvious is the rural-urban difference, but what is not so obvious is the fact that dwellers in the countryside may be highly urbanized because of the pendulum-swing to city employment and back home again noted earlier; they are commuters of a special kind. Moreover, many persons living in city *Mietskasernen*—"rental barracks" or tenements—are workers in the country, as, for example, those employed in the seed-raising and hothouse industry outside of Erfurt. Further, our tendency to think of rural life as that of the single family living on its own farmstead is damaging when it blinds us to the fact that most German peasants live in communal villages and go out from them to work their oftentimes scattered "bits and pieces" of land lying at a radius of as much as two or three miles. Only in most of the region of Westphalia, and in rather small subregions elsewhere, is the isolated farmstead the prevailing pattern. Here again family patterns correspondingly differ even if we overlook the existence of the *Heuerlinge*, the farm-labor families hired entire, who in some places make large-scale operations possible for wealthy western landowners. When we take account of this kind of farm family, our awareness of diversity increases still more. Were we to deal with the old *Junker* estates and their

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masses of laborers, many of them seasonal only, the picture would become even more complex, but since the land reform in the Soviet zone the *Junker* as an active farm operator is past and done. Only the mentality of the *Junker* and of his underlings survives here and there among the expellees and refugees in the western zones, and with time this may disappear.<sup>2</sup> When it has not yet vanished, there is apparent a set of family relations among the underlings in many respects different from those found among independent peasants. When father, wife, and offspring are or were all abjectly dependent on the same master, the authority of the parents covers a very limited range, even though it may be intensively applied within that range.

Leaving now the permutations and combinations occurring on the rural scene, and likewise saying no more about the rural-urban variations evident earlier and today, even though the expellee-refugee problem tempts to digression, what of urban families? Can the life of families in Darmstadt, over 80 per cent destroyed by bombing and once a dignified, leisurely "official's city," be equated with that led in almost undamaged Höchst, the bustling, one-industry center of I. G. Farben, the chemical combine? There is no need to belabor the obvious; no one except the doctrinaire would throw Charleston and Pittsburgh in the same pigeonhole. Why should we do in Germany what we would not do at home? Careful studies of variations in urban family patterns are vitally necessary, and, agreement assumed, we pass on.

Most clearly evident in the cities but also playing a part in the villages—indeed, because of the redistribution of population, an increasing part—are differences in class and status. Germany, classic land of lingering feudalism, of Marxism and Social Democracy, and second only to Russia, for an appreciable time, in the zeal of its Communists, experienced the sudden rise and still more sudden fall of a new master-class, the Nazi *Parteibonzen*. We are usually quite aware of the extent to which class and status directly determined affiliation with this political group or that, but we sometimes fail to appreciate the thoroughness

2. This may be a *very* long time; see my article, "Changes in the Social Stratification of Contemporary Germany," *American Sociological Review*, XV (June, 1950), 333-42.

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with which a class-status Weltanschauung could and still does determine the structure of family life. A New England upper-class lad who has passed through Groton and Harvard may have acquired modes of conduct that the envious, at least, may call snobbish, and the family life he helps perpetuate may reflect his background and training quite faithfully, but he will rarely possess a completely articulate rationale for the social patterns he exemplifies. Germans high and low, by contrast, with fateful consistency, are prepared verbosely and intricately to defend the station in life to which vocation, tradition, or "destiny" has assigned them. In crisis situations the New Englander may divest himself of hampering exclusiveness, but the German rarely. If he is a worker, he is suspicious of any but the calloused hand on the political helm, for example; if he is an aristocratic landowner, the notion that a former saddlemaker should be obeyed because he occupies the office of president evokes only a supercilious smile. Not even the Nazi attempt to break down such barriers by promulgating what amounted to a new religion succeeded; the moment the collapse came, the old distinctions of class and status reappeared with a speed that showed how little they had really been affected. A few exceptions to the rule of class-status endogamy there were, but, in general, courtship, marriage, the rearing of children, and the whole complex maze of family ceremonial still follow lines sharply divergent for the differing levels of the population. The family among left-wing Social Democratic laborers has only a few resemblances to the family among, let us say, right-wing Free Democratic landowners. In spite of defeat, inflation, currency reform, denazification, and all the rest, the old social hierarchy still operates and is rapidly making good the loss of influence it temporarily suffered.

Last among the factors making for family differentiation to be considered here—and only a few of the more significant have been considered—is the clerical-anticlerical split. Although there is of course a considerably greater amount of overt clerical control among Catholics, the Protestant bishops still possess much power and occasionally make common cause with their fellow-clerics of Catholic faith in opposing measures and practices espoused by left-wing groups. This is particularly true

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where policies affecting family life, the rearing and education of the young, and similar issues of moral-religious bearing are concerned. School reform in several of the provinces has been blocked by opposition that, although sometimes headed by Catholics, had and still has a good deal of Protestant support. The privileged place of Greek and Latin in the curriculum of which middle- and upper-class youngsters alone are able to avail themselves, the teaching of classes on religion in the schools, concessions to confessional schools, separation of boys and girls at a very early age, and like matters have had fairly solid clerical backing from Protestants and Catholics alike. The same is true with regard to the severe penalties imposed for the spreading of contraceptive information; Communists and Social Democrats only have made strong protest, and the Communists, although noisy, are numerically insignificant in the western zones. It is the Social Democratic anticlericals who are really important in the development of family patterns that significantly diverge from those adhered to by the clerical group, and, because the former are most strongly represented in the cities, there is considerable overlap with the urban differentials mentioned earlier.

All these possibilities for the study of differentials we can see, but the plain fact is that adequate investigation along such lines has not taken place. The honest researcher is compelled to admit that he is still dependent on impressions gained as by-products of studies undertaken for purposes other than the analysis of family life. If this is the case where variations are concerned, how much more is it true when there is an effort to find unity in the diversity! Here we are flung back on general impressions that are only a few stages removed from the cartoon-like images already ridiculed.

The present writer can only say in justification of the impressions he is about to offer that he has spent much time in Germany on many occasions from 1923 onward and has written several studies of German regions, population distribution, social stratification, political mentality, and, most relevant of all, youth movements.<sup>3</sup> He is now in process of completing a study

3. The writer's book, *German Youth: Bond or Free* (reissued; Gary, Ind.: Norman Paul Press, 1950), has also appeared in German under the title *Vom Barette schwankt die Feder* (Wiesbaden: Verlag der Greif, 1949).

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of peasant life in which family structure inevitably plays a prominent part and for which extensive field work was done in 1947-48. Still, impressions remain impressions; that fact must be faced.

Facing it boldly, I am prepared to say that German family life seems to me of a kind in which parents have more control of children, through persuasion as well as command, than appears to be the case in the United States today. Numerous exceptions, in both countries, are to be found with little trouble, but I think that the general statement still holds good. In this sense, and in this sense only, most German families are more authoritarian than most American families.

Most of us are ready to grant this, perhaps because of stereotypes unwittingly held. Let it also be pointed out, however, that on the basis of impressions also gleaned from residence and study, albeit shorter, in France, Belgium, and Britain, I am willing to make the same statement about families in these countries; they have more control of their children than we do. From what I have been able to learn at second hand about Swiss, Dutch, and Scandinavian families on their native heaths, plus some fairly close observation of families in this country deriving from such backgrounds, I am ready to make a similar generalization about them too. And all these non-German Europeans, the Swiss and British in particular, are regarded as essentially anti-authoritarian!

This adds up to what? Well, it seems to me that the attempt to trace authoritarianism in German public life back to "its family roots" is revealed as foredoomed to failure. I have watched psychoanalytic handsprings, such as Schaffner's *Father Land*, over and around this theme for many years, and to my mind they remain handsprings only. I would say the same of more simple-minded, less elaborately rehearsed efforts, of which a good example is Rodnick's *Postwar Germans*. A certain amount of surface plausibility they have to recommend them, particularly to those who know little of Germany, and that is all. To refer to similar exhibitions: I am not convinced that Japanese aggressiveness, at all social levels, is to be explained by the high degree of sphincter control implanted in Japanese

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children by rigorous toilet training, nor do I think that the last word about Russian aggressiveness has been said when Geoffrey Gorer points out that Russian babies wear uncommonly tight diapers. I confess I do not know whether French children and adults relieved themselves in public one hundred and fifty years ago with the same frequency and nonchalance as is manifest today; but, if they did, the Napoleonic Wars must remain an unsolved mystery, for where could French tensions leading to aggression have come from?

Enough nonsense: I should merely like to add that a far better case can be made out for the impact of authoritarian political measures on German families than the reverse. It is not necessary, for this audience, to review the dismal story of wars between crazy-quilt petty states, conscription, Pomeranian grenadiers, and the scores upon scores of other details. With these casual references made, let us turn to more relevant matters.

Having pointed to an apparent contrast between European families in several countries, Germany included, and the contemporary United States, it may also be pointed out that two or three generations ago, and in some sections much less than that, American families were not only more authoritarian than they now seem to be but also more patriarchal. Surely Day's *Life with Father*, the Gilbreths' *Cheaper by the Dozen*, and Taber's *Especially Father* would not have called forth the deep interest, some of it sentimentally nostalgic, that they have in many quarters did they not evoke memories from a past not yet beyond recollection. I am inclined to think that the swifter pace of social change in the United States, with its relatively sparse and rapidly expanding population, its unhampered technology, its masses of immigrants torn from their European roots, has resulted in that contrast with a slower-moving Europe evident not only in the family but in many other aspects of life.

The world begins afresh with every generation in the estimate of the generation concerned, but I am nevertheless given to the notion that during my own childhood and that of other present-day Americans in their fifties and beyond the social changes resulting in the present contrast began to speed up their rate.

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By the time World War I burst upon us they were moving very swiftly indeed; the "revolt of youth," for which the 1920's have become famous, was already well under way. That revolt, however, was not given adequate verbal justification; except for a few obscure writers such as Randolph Bourne, it remained inarticulate. We dodged and ducked; although we read Elinor Glyn and Mencken on the sly, we did not directly challenge the parental heritage. Controls were circumvented, not demolished; lonely bastions of authority remained standing long after the clatter of the Model T had passed far beyond them. Finally, their occupants climbed wearily down, wondering why their "youthful charges" had failed to take them seriously as opponents.

It was in Germany, oddly enough, that a frontal assault on the older generation did take place. But perhaps "oddly" is not the proper term; closer examination may show that the total situation necessarily issued in such overt conflict. In the period following the Franco-Prussian War the pace of social change in Germany was not so swift as in the United States, but it affected a population at least ten times as dense and having a much more rigid class-status structure. Given these considerations, its effects were proportionally more intense among some groups, even though we grant that they were much in the minority. Over and above this, the German tendency to give systematic verbal expression to felt tensions, to propound elaborate *Weltanschauungen*, was strongly operative. The consequence was that many middle-class youngsters, particularly the children of professional men, higher civil servants, and the like, directly challenged parental control of both persuasive and coercive types, and the result was the youth movement in its manifold forms.<sup>4</sup>

German families of the varieties noted underwent much modification and might have become even less authoritarian than American families of today had it not been for the reinforcements that hastily rushed to aid them. The school system, the churches, the youth welfare branches of local and national government—these and many other sources of authority out-

4. For details and analysis see the book mentioned in n. 3.

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side the family as such did their best to hold the line and did so with considerable success by setting up youth-tutelage organizations as substitutes for youth-movement groups. Youth tutelage (*Jugendpflege*) was and is characterized by adult direction and control, whereas youth movement (*Jugendbewegung*) groupings are relatively spontaneous and have leaders who are not initially professionals and who are themselves of adolescent or young adult age. Waning family authority, in brief, was buttressed by many other kinds of authority; the revolt was in large measure checked or, more significantly, diverted into other channels.

The diversion became clearly evident in the early 1920's. Not only had the churches, for example, taken over most of the "techniques" of the youth movement for use in their youth-tutelage work, but the political parties also rapidly developed youth auxiliaries that gave adults controlling positions while at the same time these auxiliaries preserved the semblance of youthful initiative and spontaneity.

Family traditions of unspoken, tacit variety lost some of their grip, as it were, and ecclesiastical and political prescriptions, virtually in catechetical form, tightened theirs. Parents and grandparents still exercised influence in the intimate family circle, but the radius of that circle was drastically diminished, not only among the middle classes but also at so-called "proletarian" levels. Youthful rebels of original youth-movement type there still were, but they steadily became less important, and young leaders who stood in the service of one or another kind of youth-tutelage organization were shoved into the front ranks. The leadership principle, propounded in the days of the first rebellious outbreaks against parental control, was twisted into a doctrine that ministered to the ends of rigidly authoritarian structures themselves interested in eliminating the remaining restraints of family tradition.

The results we know; the *Jungvolk*, the Hitler Youth, and the BDM—State Youth in general—operated in disregard or open defiance of the parental family. The "grace-endowed" leader,<sup>5</sup>

5. "The charismatic leader" has been discussed in many books and articles; a brief presentation is to be found in the writer's *Through Values to Social Interpretation* (Durham, N.C.: Duke University Press, 1950), pp. 30-32, 64-65, 231-47.



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personified in Hitler and his acolytes, openly took the place formerly held by the parents. Naturally, family life being what it is, and the diversity of German society being so great, the shift of authority was far from complete in many quarters; family traditions covertly continued to function even though in ways sharply circumscribed.

Then came the collapse, which was not merely the collapse of a great machine but also of the faith that furnished its dynamic. Disillusionment was particularly profound among the younger generation; they had really believed that they could make Germany and the world over within their lifetimes. Distrust of any and all programs, "democratic" or otherwise, is today one of the most outstanding mental traits of Germans under thirty. They have seen the parental generation shouldered aside by young chieftains of virtually gangster character, loyal henchmen of the big boss who promised and failed to perform. They are often inclined to blame their own parents for cowardice, gullibility, or passivity; they feel that the task of giving warning, wise counsel, and restraint was miserably botched. In short, they feel that their parents slackly abdicated authority, that family traditions should have been more zealously upheld in spite of risk.

The result is that younger Germans today have little faith in themselves or anybody else but that they are open to influences stemming from family traditions older than their own parents represent. Putting it in somewhat extreme form, it may be said that grandparents are listened to with respect and even deference; Germany has skipped a generation. In the midst of a still hostile world, confronted by insecurity of every conceivable kind, secretly self-despising and at the same time resentful of humiliating guidance even when offered by well-meaning occupying powers, younger Germans find their only refuge in the family circle.

When they do not have one, they make one; what may be called "quasi-families" abound. Young widows adopt children, acquire a G.I. consort if they can, and promptly lead him to the Army Post Exchange, the PX, where he buys food and clothing not only for his immediate "family" but also for the parents, the grandparents, the brothers and sisters. "Shacking up" is con-

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doned among German lower-class groups if only the semblance of a family structure can thereby be maintained. German young men, although desperately sought after by young women, who in the marriageable ages outnumber them by three or four to one in some localities, marry in the old-fashioned way and do not seem to take more than ordinary advantage of the opportunities for multiple mating.

Where all else has crumbled, large sections of German family structures have survived. The old direct challenge to parental control proclaimed by the youth movement is no longer offered; if it were, it would fall on deaf ears. There is considerable evasion of restraint, as elsewhere in the Western world; but it is evasion, not assault. Youth tutelage still operates, but in ways cautiously conservative of family values, with the one exception of the Communist Free German Youth, in the western zones a small minority under the spell of a fresh illusion. Juvenile delinquency, in spite of the hordes of orphans and homeless herded in air-raid shelters and improvised settlements, is in my considered judgment distinctly *lower* in rate than that prevailing in today's United States. Professional prostitution flourishes, as elsewhere in Europe, and there are many enthusiastically promiscuous amateurs. Nevertheless, most German women still want to establish families, in whatever way they can. Children are cherished and ardently desired—perhaps too much so in view of the terrific overpopulation—and family ceremonial centers around them. German husbands and fathers are usually family men, and I have never observed more domination on their part than was widely evident in American life during my own boyhood. "Domination" is perhaps not the right word; there is a more definite division of labor than is apparent in many American families today, but heaven help the mere male who interferes in the realm proper to the wife! Indeed, among many peasants no husband would think of selling a cow or engaging in similar dealings without the counsel and consent of his "better half" (this is a German phrase too); after all, she does as much of the work of the little farm as he does, and sometimes more. Each has a specific role to play, but there is genuine partnership.

In saying that "large sections of German family structures

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have survived," I should like to call attention to the fact that I did my on-the-spot observing in the crisis situations of the war, the immediate postwar period, and the prolonged aftermath of misery prior to the currency reform of June, 1948. Since that reform, although there is still much misery, its manifestations and certainly its amount have changed. It may well be that, in my surprise at the relative stability evident where everything seemed to make for rapid disintegration, I have overstressed the degree of that stability. Moreover, it is entirely possible, and in my estimation probable, that the stresses and strains suffered by German families in this postwar period will eventually produce cracks in structure leading to widespread loss of control and to the collapse of many families up until now managing to hold together. That, however, is a matter for the future, where the element of guesswork must be even greater than in this inevitably impressionistic paper.

Summing up: I have pointed to the great diversity of German patterns that makes generalization exceedingly dangerous, and I have then rushed in where angels fear to tread. My impression is that many German family structures are not significantly different from those found today in most parts of Europe and that they are quite comparable with American family structures of a generation or two ago. Reiterating my major conclusion: "German family life seems to me of a kind in which parents have more control of children, through persuasion as well as command, than appears to be the case in the United States today. . . . In this sense, and in this sense only, most German families are more authoritarian than most American families."

# THE NEW CRISIS STRATA IN GERMAN SOCIETY

By SIGMUND NEUMANN

IF A man of the intellectual astuteness and the demagogic ability of a Karl Marx were sitting in a garret room somewhere in Germany today—and, indeed, he might—he would formulate a manifesto of the cast-outs that would more than match in explosive power the *Communist Manifesto* of 1848.” These were the words of one of the millions of expellees who constitute the crisis stratum Number One in western Germany today.<sup>1</sup> Here are what we might call the new irregulars of society, painful reminders of those who once before led Germany and Europe to National Socialism and the second World War. We see the same sunken faces, we hear the same harsh voices, and we recognize the same bitter frame of mind. They are all too familiar. In a way it all looks so frightfully familiar that, like a nightmare, we cannot shake off the apprehension that this is where we came in and that everything that happened before will happen again.

On first sight there is good reason to follow these Cassandra calls. I still think that there are better reasons to take a second look. The second look may reveal a picture altogether different from what appears on the political façade of this crowd.

1. For significant data cf. U.S. Congress, House of Representatives (81st Cong., 2d sess.), *Expellees and Refugees of German Ethnic Origin* (House Report No. 1841 [Washington, D.C.: Government Printing Office, 1950]). See also E. M. Kulischer, *Europe on the Move: War and Population Changes, 1917-1947* (New York, 1948), and the forthcoming findings of the Sonne Mission on the refugees problem, a joint committee established by the ECA-Washington and the Bonn government.

Of the numerous German sources, the following should be mentioned: Irmgard Schulze-Westen, *Das Flüchtlingsproblem* (“Dortmunder Schriften zur Socialforschung,” Heft 10 [Hamburg, 1948]); Friedrich Edding, “Das Flüchtlingsproblem in Westdeutschland,” *Weltwirtschaftliches Archiv*, LXII (1949), 309-33; Middelmann, *Die wirtschaftliche Bedeutung des Flüchtlingsproblems* (Hamburg, 1949); H. Wander, “Wirkungen des Flüchtlingszustroms auf Bevölkerung und Wirtschaft Deutschlands,” in *Das deutsche Flüchtlingsproblem* (Kiel, 1949); Hanna Betz, *Flüchtlingschicksal auf dem Lande*, hrsg. von Institut zur Förderung öffentlicher Angelegenheiten (Frankfurt a.M., 1949).

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Still any serious stocktaking of the real situation must start with the somewhat rough statement: Five years after the total victory over the Third Reich we know that totalitarianism is not vanquished yet. Not only are we faced with the same problem in the new and more powerful version of bolshevism, but we also have to grapple with the legacy of naziism that may well breed a more potent concoction. In other words, the annihilation of dictatorial leadership and its institutional frame does not suffice if we do not eradicate the matrix of totalitarianism; and that matrix rests, to my mind, in the main crisis strata. I address myself, therefore, primarily to that question: What happened to those strata? It is in these social forces that one finds an important key to the appeal, the strength, and the resistance of twentieth-century revolutions. Destroying the symptoms, eradicating the top men, without detecting its core, will not finish the fight.

Important as were the much-talked-about *Junkers*, the secret army staff, and the captains of industry in the making of the Third Reich, it seems to me that the raw material of German National Socialism was found in three basic groups at that time. These groups are different now, and they are different in various countries. They are still significant in Germany today: the frustrated middle class of inflation days, the rootless unemployed of the great depression, and the smaller though articulate group of soldiers of fortune who did not find their way home from the battlefields of the first World War and who led the march into the second. The greatest dangers for a stable postwar settlement again derive from the same old groups which formed the mass following of National Socialism and, moreover, from those new layers that are not integrated into the living community. They will be the ready recruits for a new myth, whatever it may be.

Where do we stand five years after the breakdown of the Third Reich? In a sense, one might say great progress has been made since those days without hope and without food, when a pulverized society in 1945 had lost all yardsticks and when the shady black markets of "Veronica towns" had demoralized and disintegrated its men and women. The turning point surely

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came with the currency reform of June 20, 1948. It was like that miracle of stabilization after the breath-taking inflationary spirals of the first aftermath, when practically overnight the German economy pulled itself together. As a quarter of a century before, this amazing recovery had a lot to do with the genius of an industrious people who can show resourcefulness and ingenuity. Only two years later the recovery of German industry equaled that of any European nation. Stimulated by the directed efforts of the Allied authorities—and in this respect military government had done some good—and by the more recent inclusion of Germany into the Marshall aid program, industrial production had more than doubled, until at present it has already reached the output of 1936.

Unbelievable though this spectacular success seems—so much so that many people in Germany have said to me that they felt that even the obvious injustices of the radical devaluation to a struggling money-saving middle class had been outweighed by the new promises—the stabilization still left fundamental problems unsolved and has created new ones on top of the old ones. The production of luxury goods at disproportionately high prices and profit margins has completely upset the distribution of goods and earnings. Not the least responsible for such an unfortunate development may be the very active trade associations with their price-fixing policies and, probably also, the new German administration with its rushed removal of governmental controls. Whoever is to blame, the discrepancy between the few *nouveaux riches* and the overwhelming majority of the population that have profited only to a very limited extent from this prosperity has led to new tensions. It definitely does not create a large and solid middle class which in the Western society constitutes the basis for a sound economy and a healthy democracy.

One may question whether Germany ever possessed such a sound middle-class basis. No doubt traditional political alliances with authoritarian forces and a high degree of centralized controls by economic monster combines weakened the young Weimar Republic and were instrumental in its early surrender to nazism. Hitler's war economy, while it changed the direction and strategy of control and often the recipients of its profit, ac-

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celerated the process of concentration and deeply involved the captains of industry in the economics of this garrison state.

Has the German economy undergone any fundamental change since the breakdown of the Third Reich? Recognizing that the prospects for democracy and peace in Germany would be subject to social reorganization, the United States military directives aimed at the dissolution of the gigantic chemical I. G. Farben trust and other combines and at the establishment of an "International Ruhr Authority." This program of decartelization which was to dissolve threatening aggressive economic power concentration and in a way represented the transfer of United States antitrust legislation to Germany, met with great difficulties, if not complete failure. Whatever the reasons—the drive for efficiency and productivity calling for the return of "seasoned experts," United States preference for unrestricted free enterprise, the German resistance against outside interference—the result seems to be largely that the old leaders of industry have become its new managers.

It is still too early to tell what lasting impact the Nazi experiment has made on the traditional industrial rulers who had thought to hire a political manager in Hitler while he turned out to be their master. Business may have become more cautious in playing political high stakes. Has it become more attached to the democratic way?

To appraise the direction and weight of industrial power, one must study its influence in politics and administration. There is no doubt that it is far-reaching in the present Adenauer government and in the civil service, which, broadening reforms in some *Länder* notwithstanding, has reverted to its presumed "political neutrality" and actual nationalist reaction of pre-Hitler days.

The future of German democracy will depend to a large extent on a fundamental transformation of the German society which, if it comes, must come from within. Where are the forces for such a democratic mobilization?

The social class that most consistently, and even throughout the Nazi period, has tied its fate with democracy in Germany is the proletariat. At present, however, it is not in its strongest position. Surplus labor and inflationary fears have weakened its

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bargaining power. The present wage share has declined to a low 38 per cent of the national income, and the real wages are still substantially lower than in 1936 (*ca.* 70 per cent). The re-established trade-unions, with the impressive membership of six million, while they deserve the highest credit for their part in the economic recovery of western Germany, are politically handicapped by their organization in a single federation. Different from the former Socialist free trade-unions, Christian trade-unions, and Democratic trade-unions, the unified movement has to adhere to a far-going neutrality in party politics. Its concentration on a program of "codetermination" in industry promises sober and responsible participation; yet will it mobilize the activist and constructive spirit of this greatest potential force for a dynamic democracy?

And constructive ideas will be needed to regain lasting economic stability. The quick revival of German productivity is surprising, and so is, to the superficial observer, the unusual return to "normalcy." Yet it is an artificial recovery, supported by the easy market and subventions of the occupation forces. The key issues still remain unresolved: the restoration of a substantial capital structure, the reclamation of international markets, and the crucial problem of convertibility, the price of which would be a lower standard of living. The feasibility of such measures make the prospects of economic recovery a major political concern, especially in view of Bonn's domestic tensions and of eastern propaganda pressures. The present focus on the question what direction German export is to take—East or West—equally suggests, above all, a political decision.

Prewar Germany was not self-sufficient and had to import 15-30 per cent of her essential food. Owing to the loss of eastern farmland, western Germany may have to import up to 45 per cent, to be paid for by heavy industrial exports. The East-West trade, obviously attractive on traditional grounds, pushed by the eastern bloc for political reasons, and drummed up by ambitious West German power groups, may not be the natural or the cheapest international route, as an increasing number of experts emphasize. Yet the alternative sources, especially in overseas trade, will still have to be explored. The same goes for the



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promising Schuman plan for pooling the West European heavy industries. If the proper market solutions are found, Germany's craving for *Lebensraum*, that once was the dictator's powerful weapon and is threatening again with an increasing population density (196 per square kilometer in Germany as compared with 75 in France), may be alleviated.

In the meantime there are warning signs for the western economy. While its progress is impressive and its head start substantial in comparison with the eastern regimented economy, the latter's rate of increase in economic improvement should not be underrated in the battle for the peoples' allegiance, nor should its most attractive feature of full employment.

Unemployment in the west, on the other hand, totaled in 1950, even in the favorable summer months, close to two millions (including 300,000 in West Berlin alone), and the influx of the numerically strong generation of "Hitler babies" into an oversaturated labor market predicts even more somber prospects for unemployed youth.<sup>2</sup> This is not merely an industrial reserve army, quickly to be absorbed by the normal process of the economic fluctuations. It threatens to become another political reserve army like the one that broke the dams of society in 1933. It all looks like the return of the "crisis strata" that had ushered in the rise of demagogical dictatorship. How simple it should be for a new demagogue to exploit the blatant contrasts between thriving night clubs where the few well-to-do display their conspicuous consumption and the bombed-out basement flats of subhuman mass existence. Abundance at the top naturally leads to bitter resentment on the part of the have-nots. Is it not, indeed, senseless to have a quarter of a million jobless construction workers walk the ruined streets that cry for rebuilding? What small relief can be found in 250,000 "projected" dwellings when five million housing units are needed?

2. No doubt, the amazing improvement of the unemployment situation which has shown a steady decline at a rate of 100,000 per month, dropping about 35 per cent from its all-time high in February, 1950, and reaching by the end of August, 1950 (according to the Office of Labor Affairs, U.S. High Commissioner, Germany), a low of 8.7 per cent of the wage- and salary-earning class, may permit a somewhat more encouraging analysis at the time this manuscript goes to press. Still the fundamental, structural limits on employment in Germany remain and must be considered for a long-range view of this crucial problem.

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The alternatives are again presented in those dangerously unreal contrasts—free economy without interference versus security in the fully controlled economy—that breed chaos and confusion. This is a time when James Burnham's *Managerial Revolution* becomes a best seller in Germany, because it seems to attack the archenemy, bureaucracy, on all levels—business, administration, politics. In a way, this is a legacy of the Leviathan state of dictatorships, that is, the natural reaction against it. This is the time ripe again for "radical" plans for helpless, rootless masses.

What makes matters worse—and I do not want to show just a negative picture, but for discussion's sake I think I had better point out the negative elements in society, though there are many positive elements too—is, to my mind, that these are economic difficulties derived from fundamental economic anomalies which neither governmental authorities nor the occupational forces could easily overcome. One of these basic discrepancies, of course, is the partition of Germany, which has created the drastic split-up of a natural economic unit in which the agrarian east had served as the complement to the industrial west. In fact, the Potsdam Agreement definitely stated that "Germany shall be treated as a single economic unit." The breakdown, more irreparable as the years go on, of interzonal communication puts a greater burden on the west.

The partition, moreover, has created a new stratum, which, while we do not know enough about it, should be recognized as one of the most significant groups. We still do not even have the right name for it—but, if one had no other, one could call them the "new irregulars." They comprise primarily the people who are often called the expellees, but they consist of at least three different groups. There are those who have been forcefully evacuated, in consequence of pre-treaty arrangements, from Czechoslovakia's Sudetenland, Rumania, Hungary, etc. (*Volksdeutsche*), and from the eastern provinces, handed over to Polish administration (*Reichsdeutsche*). A conservative estimate puts the number of these unhappy homeless (*Heimatlose*) at more than 7,500,000 in the western zone alone. One must add to them the daily influx of about one thousand interzonal refugees (dif-

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ferent, of course, from the displaced persons under International Refugee Organization care, who are a legacy of nazism; and still many of them are left in Germany), *Flüchlinge* from the Soviet zone. Again, if one takes a conservative estimate, it would be more than 1,000,000. If one adds to them the evacuees of war-

TABLE 1

POPULATION, EXPELLEES, AND REFUGEES FROM BERLIN AND SOVIET ZONE  
FEDERAL REPUBLIC, APRIL 1, 1950

LAND	POPULATION EXCLUSIVE OF FOREIGNERS IN CAMPS (IN THOUSANDS)	TOTAL EXPELLEES		REFUGEES FROM BERLIN AND SOVIET ZONE		EXPELLEES AND REFUGEES	
		Number	Per- centage of Total Popu- lation	Number	Per- centage of Total Popu- lation	Number	Per- centage of Total Popu- lation
Schleswig-Holstein....	2,694	941,832	35.0	104,818	3.9	1,046,650	38.9
Hamburg.....	1,583	96,639	6.1	68,414	4.3	165,053	10.4
Lower Saxony.....	6,910	1,853,054	26.8	267,418	3.9	2,120,472	30.7
North Rhine-Westphalia.....	13,141	1,230,024	9.4	300,000	2.3	1,530,024	11.6
Bremen.....	555	39,468	7.1	11,042	2.0	50,510	9.1
Hesse.....	4,355	674,442	15.5	123,207	2.8	797,649	18.3
Württemberg-Baden....	3,903	721,927	18.5	77,000	2.0	798,927	20.5
Bavaria.....	9,261	1,939,279	20.9	250,000	2.7	2,189,279	23.6
Rhineland-Palatinate..	2,936	68,767	2.3	24,800	0.8	93,567	3.2
South Baden.....	1,312	77,656	5.9	22,957	1.7	100,613	3.4
Württemberg-Hohen- zollern.....	1,219	101,825	8.4	19,320	1.6	121,145	9.9
Total Federal Re- public.....	47,868	7,744,913	16.2	1,268,976	2.6	9,013,889	18.8

time bombing (*Ausgebombte*), numbering more than 1,500,000, this new social stratum represents easily 10,000,000 people, that is, a fifth of the population of western Germany (see Table 1).

Moreover, the regional distribution of these homeless is very uneven. They had been moved under the pressure of emergencies. More than 38 per cent of the population of the province of Schleswig-Holstein consists of those so-called *Neubürger* ("new-comers"). Lower Saxony is second, with more than 30 per cent of the population; Bavaria has 22.8 per cent; and, finally, the

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French zone, where the number is small, a little over 4 per cent. In other words, the pressure of this group is different in the various parts of Germany, and for this reason its social and political effects are different. The discrepancies become even more appalling if one compares the prewar status with the present regional distribution of population (Table 2).

TABLE 2\*  
POPULATION IN 1939 AND 1949 AND REFUGEES IN SELECTED "LÄNDER"  
(In Thousands)

LAND	POPULATION		REFUGEES, EXPELLEES, AND EVACUEES FROM SOVIET ZONE AND BERLIN, JANUARY 1, 1949	
	May 17, 1939	January 1, 1949	Number	As Percent- age of 1939 Population
Schleswig-Holstein.....	1,589	2,755	1,040	65.4
Lower Saxony.....	4,540	6,890	2,056	45.3
Bavaria.....	7,038	9,337	2,059	29.3
Württemberg-Baden.....	3,217	3,885	701	21.8
Hesse.....	3,479	4,292	727	20.9
North Rhine-Westphalia.....	11,945	12,762	1,157	9.7
Hamburg.....	1,712	1,524	136	7.9
Bremen.....	563	532	39	6.8
Bizonal area.....	34,053	42,076	7,915	23.2

\* Source: *Stat. Monatshefte für Niedersachsen*, 2.Jg., Heft 10/11, and *Mitteilungen des Stat. Amtes des vereinigten Wirtschaftsgebiets*.

This disparity in distribution creates one of the fundamental difficulties of the *Flüchtlinge* in the Germany economy. The economic and social stabilization of western Germany will depend on a radical shifting of the expellee population from overburdened, nonproduction rural districts to potentially productive urban communities. According to a trustworthy German source, approximately four million evacuees must be resettled within the Federal Republic in order to attain such a desirable equalization of economic opportunities.<sup>3</sup>

So far all attempts at such a redistribution have been without

3. *Proposals and Figures on the Economic Rehabilitation of Expellees in Western Germany*, by the Study Groups with the Refugee Bishop and with the High Papal Protection of Refugees (Hamburg, September, 1949), p. 22.

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any appreciable success, as the statistics on unemployed refugees drastically illustrate (Table 3).

Despite great differences and tensions among the expellees, like the divergent regional, social, and occupational origin, and even taking into consideration all those differentiations, they still represent a unique stratum. Some people call them rather proudly the "fifth estate." Of course, once upon a time some of us called the unemployed the fifth estate; in both cases the term

TABLE 3  
UNEMPLOYED REFUGEES, FEDERAL REPUBLIC, JUNE 30, 1950

LAND	TOTAL NUMBER UNEMPLOYED	UNEMPLOYED REFUGEES	
		Number	As Per- centage of Total Unem- ployed
<i>Agricultural:</i>			
Schleswig-Holstein.....	203,450	115,354	56.7
Lower Saxony.....	354,889	146,607	41.3
Bavaria.....	359,382	148,120	41.2
<i>Urban and industrial:</i>			
North Rhine-Westphalia.....	229,241	27,751	12.1
Hamburg.....	94,494	2,391	2.5
Bremen.....	23,348	2,005	8.6
Hesse.....	127,906	34,886	27.3
Württemberg-Baden.....	62,314	22,286	35.8
Rhineland-Palatinate.....	62,766	7,029	11.2
South Baden.....	11,054	2,642	23.9
Württemberg-Hohenzollern....	9,222	3,646	39.5
Total Federal Republic.....	1,538,066	512,717	33.3

"fifth estate" meant to say that it is more than simply a temporary social discrepancy we have to deal with—that here is a new group that develops a certain behavior pattern, a certain reaction, a group that cannot be easily digested, that cannot be assimilated, and that will present certain psychological reactions that are very important and, quite possibly, very dangerous. They represent a group of *déclassés*; that feature they all have in common. They are all placed in the new society on a much lower level than they were at home. If anything creates a powerful force of political radicalization, it is this social decline and

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proletarianization of strata that have seen better days.

If one analyzes these groups, goes to their meetings and talks to them, one may well recognize that they are not the same as the unemployed, those mass layers of the revolutionary movements of the late twenties or early thirties; and yet there are certain features in their makeup which give some force to the above-mentioned statement about the potentialities of a new manifesto for the cast-outs.

To sense their reaction, it would be worth while to go through their numerous weeklies and newssheets like the *Voice of the Expellees*. There a sociologist from Sudetenland, Professor Lemberg, not so long ago wrote quite an exciting article, "The Class Struggle of Tomorrow," in which he tried to prove that here again is a class (Professor Lemberg almost assigns to himself the role of a new Marx) that has nothing to lose but its chains. It represents a society in itself, excluded from the present ruling class, a group without rights and benefits, without prestige and self-esteem. "The expellees from the East do not want to be Communists, but they have been made proletarians en masse, i.e., the same tensions and forces which have given the class of the proletariat such an immense revolutionary plan are active among them and are pushing them toward revolutionary ideas." Of course, he realizes very well—and that is a point which leads me to my next issue, the political impact of these social upheavals—that this group, yet without the support of much-needed allies in society, is itself divided and inarticulate.

For whatever it is worth, I may mention that it is quite significant that its first spokesmen are usually Sudeten Germans. The Sudeten Germans in a sense were the group that had experienced for a much longer time racial and national conflicts and for this reason may be more articulate. (At the same time, and there may be a warning in this, Hitler's family came from Sudetenland too. The Sudeten Germans have not created, to my knowledge, any poets and great thinkers, but that may be beside the point.) There is no doubt about it that the people coming from other regions are slowly moving in, and this might change the character and the articulation of these groups. The people from East Prussia and from Pomerania and Silesia have

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in many ways very different aims. Yet, the group as a whole is still divided, not really articulate, and the few people who are attempting to bring these divergent forces together try to unite them as a kind of catch-all of all discontents.

We find here something—I do not want to draw simple parallels, and certainly it is not that simple—of a situation which reminds anyone who resided in Germany at that time, of the unemployed and the great number of the white-collar class of two decades ago who themselves really did not know what they wanted. They were in many ways outcasts—above all, the unemployed in a society that is based on work. Losing a job meant more than losing the livelihood. It was not only an economic problem but a question of prestige, self-esteem, social existence. All these same problems confront these *Neubürger*. They do not belong.

There are many political movements that are trying to take these homeless masses into their camp. The old political parties are the last ones to succeed, even if they tried. The new groups pride themselves in comprising those who do not want to belong to a party, the “pariahs of the German fate,” the proletariat among the nations, the class that in itself has the ability to unite all the negative forces because out of that powerful combine they hope to create a new society.

These are premature fronts and weak movements, to be sure. These groups tried to win influence in the Bundestag. Yet only two of their representatives were elected, and those two (Dr. Ott and Dr. Doris), if I see it correctly, were elected merely with the help of votes from other groups besides the expellees. It is interesting, however, to note that 1,300,000 voters cast their votes even in the elections for the Bonn Federal Assembly for independent candidates. About sixty parliamentarians come from the expellees’ groups, but they have not yet succeeded in getting together.

There were, of course, some early attempts made to use these new forces of the expellees; and in fact a great part of the success of Loritz and his *Wirtschaftliche Aufbau Vereinigung* in the elections was due to this group, but this is definitely not a lasting alliance. We find new splits and new groups, especially

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among the rightist splinter parties, all of whom are trying to exploit the expellees. While it seems too early for a national movement, on a regional basis they have already gained a political voice. They attained a most spectacular success in the 1950 Schleswig-Holstein elections where the "Block der Heimatvertriebenen und Entrechteten" mustered 23.4 per cent of the electorate.

A most dangerous power would derive from this group if it succeeded in bringing together all elements of unrest, and especially one group which is still not really integrated in the German political scene: youth. If I were to simplify it, I would say that the youth as a whole in Germany are still in a waiting stage, are still not in politics. That does not mean at all that they are waiting for another Hitler. Almost the opposite could be true if a real constructive group could win them over. They are open to suggestions and not as nonpolitical as they may seem on a first impression; nor are they just suspicious and cynical, as a "propaganda-wise" generation must be, having survived Goebbels.

The German youth of today are very different from the German youth I knew before. It is still too early to tell whether this is a fundamental change; but no doubt the experiences of National Socialism and war have made them in many ways a much more pragmatic youth than that of predictatorial days. Their fight against the parties is not only a problem of generations. That it is too; political parties and education are largely run by old people, and naturally so. Though they may be in many ways still youthful and vigorous (especially when we start to get into an argument with that ever youthful Professor Alfred Weber), even the best among those amazing octogenarians who survived National Socialism cannot build up the new Germany.

The new Germany will depend on those very young ones, and they are still waiting and watching. With very few exceptions—there are, of course, always exceptions of some very interesting and alive young people in politics—the young generation as a whole has not entered the parties. Yet strangely enough, quite a few of them voted for the Free Democrats, the last party one would have expected them to vote for. This is what many of them said to me, so I think that it reflects a widespread atti-



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tude: "I am not socialistic enough to vote Social Democratic, and I am not Christian enough to vote Christian Democratic, so I have to vote for the Free Democrats." Such a reaction may not indicate that this is their permanent home, yet it shows the utter dissatisfaction with the major parties.

It is quite possible that the new crisis strata of the expellees, of the outcasts, may find their spokesmen among those young people. In other words, we might find new irregulars, and they will be mass successors to those who in the first aftermath did not find their way home and soon after became the vanguard of a renewed march on the world, which they claimed as their own possession. The dispossessed of the second aftermath will be an easy prey for new demagogues, who are not so far off. Shadows can be detected already on the political horizon. Whether they will crystallize into a political storm will depend largely on the developments at large in this world of the two superpower blocs.

While those over-all problems and long-range solutions reach far beyond the framework of this limited survey, the urgency of immediate attack on the critical strata of German society cannot be sufficiently stressed. The future of the Second Republic will depend on its ability to integrate the young generation and to absorb the millions of expellees.

The political limitations for a proper solution are obvious. A return to their homeland must be dismissed as either romantic hope or questionable politics. Equally unrealistic are the possibilities of large-scale emigration. A workable approach to a solution of the expellees' serious plight must, therefore, concentrate on the opportunities for their absorption in the West German economy. Despite the recent spectacular economic recovery which may well be fortified by European defense needs, the German economy still has to overcome basic structural limitations in the supply of plants and materials, of capital and credits, of the rate of investment activities and export possibilities. Not the least difficulty may derive from a widespread psychological resistance against bold economic action and planning. It is not surprising for a people who experienced two inflations (one "runaway" and one "suppressed") in their lifetime and the

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all-inclusive controls of war and totalitarianism. Yet daring and planned effort will be needed on the part of harassed German policy-makers, and not only reliance on continued outside support, in order to tackle the underlying and almost insurmountable difficulties. What may be a breathing spell of a new "Locarno" period should be taken not with complacency but as a warning to prevent another mounting crisis. It could easily follow a quasi-recovery; it could again arouse latent forces of unrest and put them on the march.

It is against this long-range vista and uneasy background that the beginnings of the young German democracy must be watched, not against the façade of seeming prosperity of the big-city window displays or of the quiet, peaceful setting of old Rothenburg and other fairy-tale towns of the Middle Ages which a friendly fate and some well-administered plans of strategic bombing have saved up for the delight of summer travelers from distant lands. Real recovery has not yet taken hold of a country that has given its lifeblood and its wealth for the glory of dictatorial dreams.

# GERMANY: THE ECONOMIC PROBLEM

By CALVIN B. HOOVER

IT IS our great good fortune that we can discuss the economic problem of the future role of Germany in Europe under far more hopeful circumstances than seemed possible no longer than six weeks ago. I refer, of course, to the profoundly significant proposals made by French Foreign Minister Schuman for joint Franco-German control over German and French coal and steel production and marketing. In spite of the very great difficulties and strong opposition which are likely to be encountered in the implementation of this proposal, the fact that a French foreign minister should make such a proposal without being urged to do so by the United States is an event of major importance. Even if the proposed program is successfully put into operation, it does not, of course, solve the economic problems of Germany or of France or of Europe. Until this proposal was made, however, the constructive solution of either the German economic problem or the western European seemed blocked by insurmountable obstacles. Now the outlook is a hopeful one.

I want to return to a discussion of the French proposal later. First, however, I would like to set out before you the elements of the German economic problem itself. It should be said in the beginning that in a basic sense the German economic problem is the same as the European economic problem. It is not merely that the German economy is an enormously important supplier of goods and market for goods for the rest of Europe. The German economic problem is the European economic problem in another sense also. Germany, whether we consider only western Germany or a united but still truncated Germany, faces the general European problem of how to sell enough goods and services on the international market to pay for the essential raw materials and foodstuffs which she must import. Germany, like the rest of Europe, faces this problem in a world in which Eu-

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rope no longer has the pre-eminence as a supplier of manufactured goods to overseas markets which it once had. The capabilities of American industry to fill not only our domestic market but foreign markets as well, plus the growing industrialization of other non-European countries, presents problems of the first magnitude to the European exporter of manufactured goods.

Under certain assumptions with respect to the flexibility of exchange rates, costs and prices and the convertibility of currencies, in addition to the absence of national barriers to and controls of international trade, it would be possible for Europe still to exchange its manufactured goods for necessary foodstuffs and raw materials. The position of Europe in international trade, even under circumstances which are likely to exist in the near future, is indeed by no means hopeless. Yet there can be no doubt that the economy of an area such as Europe is much more vulnerable to international factors and events than is a largely self-sufficient economy such as our own. Furthermore, the whole trend toward socialized economies constitutes a particular problem for all of Europe in carrying on international trade.

One result of the war was to make the German economy much more European, if I may so term it, than before. As the result of the loss of an area to Poland and Russia which produced some 25 per cent of the German food supply, while being compelled to provide for the support of the population of the lost territory, Germany has now become much more like the United Kingdom in her dependence upon foodstuffs from outside Europe than was true before the war. Nor would this situation be fundamentally changed if eastern and western Germany were united. It was in the areas annexed by Poland and Soviet Russia, rather than in the Russian-occupied zone, that really substantial surpluses of foodstuffs were produced. Now that these surpluses are not available and are not likely to become available, truncated Germany must produce a larger surplus of industrial products to obtain substitute food products for those formerly obtained east of the Oder-Neisse.

This means that German industrial production must rise to levels substantially higher than those of prewar if the German

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standard of living is ever to attain the prewar level. This, in turn, means increased competition among German industry and that of the United Kingdom, France, and Belgium. It raises additional problems in some minds regarding German industrial potential for military purposes.

Even the fear of increased German competition, quite aside from any question of industrial potential for war, raised and still raises serious questions. I remember how, in 1945, we were trying to plan for a substantial production of consumers' goods, such as textiles, for Germany, to replace heavy industries. The British, even then, were quite concerned at the prospect of having to meet German competition in textile production. It is no wonder that potential German competition should continue to worry other European countries at a time when, as Marshall Plan funds taper off, they must sharply increase their own exports of manufactured goods.

Yet it would be a mistake to consider that the revival of German industry has been viewed exclusively as a competitive threat to the industry of the rest of Europe. Even in the summer of 1945, immediately after the German collapse, Dutch farmers were beginning to mourn over the loss of their markets for cheese and vegetables in the Ruhr. Germany had been an important market particularly for foodstuffs and raw materials for almost all the countries of Europe before the war. The products sold by German industry were not exclusively competitive in character. Machinery of all sorts was furnished to all Europe. Immediately after the war neither the machinery nor repair parts for it could be obtained from Germany. So long as the United States was willing to supply dollars without cost, these could be obtained in that country. When free dollars could no longer be obtained, German manufactured goods could once more be obtained, often more cheaply than those from any other area. The revival of intra-European trade during the last couple of years to a level some 10 per cent above prewar reflects the restoration of normal trade channels and, in a substantial degree, the rehabilitation of German export industries. It seems logical to suppose that this healthy development will continue in the future as in the past. To the extent that it does continue,

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the progressive trend toward European economic independence of extraordinary United States financial aid will be furthered. Any action which reduces those competitive fears which are so largely responsible for barriers to international trade would greatly facilitate such progress.

Let us examine the economic record of the past few years in western Germany and see how developments there have compared with those in the rest of western Europe. Right up to the days of the currency reform in early 1948 Germany lagged badly in economic recovery behind the rest of Europe. At the present time industrial production in western Germany is about on a level of that of 1936. (If the same base for western Germany is used as for western Europe, namely, 1938 equals 100, West German industrial production is only 83.) This represents a doubling of industrial production in western Germany over the very low levels of 1947, but it is still much below the rate of increase over prewar for the rest of western Europe. The average level of industrial production of western Europe, excluding Germany, had reached by 1950 the astonishing level of 33 per cent above 1938.

It should be noted, moreover, that, although the industrial production in western Germany is still below the level of 1938, the population in the meantime has increased by more than 20 per cent. This large increase in population has been due primarily to an influx of refugees from the areas annexed by Poland and Russia and from the Russian zone of occupation.

Agricultural production in western Europe as a whole is almost up to the prewar level. In western Germany agricultural production is at slightly below the 90 per cent level in terms of prewar.

Thus the general picture of both industrial and agricultural production for western Europe is of really heartening recovery from the war and its aftermath. (United States aid under the Marshall Plan and its predecessors has of course played a crucial role in this remarkable recovery.) Western Germany indeed lags behind western Europe in economic recovery, yet the improvement since currency reform in early 1948 has been most impressive. Thus, there can be no doubt that the trend of eco-

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conomic recovery in western Germany and in western Europe has been in the same general direction. Recovery in western Germany has been greatly facilitated by recovery in the rest of western Europe. It is just as true that economic recovery in the rest of western Europe has been basically furthered by improved availability of German coal, chemicals, and machinery. This well illustrates the intimate intertwining of the economic life of all of western Europe. Whether either likes it or not, between western Europe and western Germany it is a case of one for all and all for one.

This interdependence is further indicated when we try to add the trade picture to the industrial and agricultural situation. It has been pointed out repeatedly by Paul Hoffman and by many others that only half the job of the Economic Cooperation Administration in aiding the economic recovery of Europe has been completed. The half that has been done, and done with really surprising success, is the recovery of industrial and agricultural production in Europe which I have described.

The half which still remains unfinished is the restoration of a viable balance of payments between western Europe and the rest of the world. We are all acquainted with the so-called "dollar gap." This can be roughly defined as the difference between the goods and services which we in the United States export and the goods and services which we import. Since the war, substantially the whole world has wished to buy more from the United States than they are able to sell in our markets. In 1947 when our peacetime exports were at a peak, the gap was around nine billion dollars. This dollar gap is currently running at a rate of somewhat over five billion dollars annually. It is not logically possible to allocate precisely this gap among the various countries, but we can say that for fiscal 1949-50 almost four billion dollars of European Recovery Plan aid was furnished to the Marshall Plan countries to enable them to bridge this gap for the year. Western Germany received about 667 million dollars of this financial aid to cover her part of the gap. Until this gap can be substantially closed other than by United States financial aid, we cannot speak either of a western Germany or of a western Europe as viable and economically independent.

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The means by which the dollar gap can be closed are substantially the same for western Germany as for the rest of western Europe. The area must either reduce its imports of goods and services from the dollar area or expand its exports to the dollar area, directly or indirectly. What are the prospects of this being done? Fortunately prospects have decidedly improved during the past year.

We have grown accustomed to pessimism with regard to the possibilities of closing the dollar gap. I can remember looking at the prospects for its closing when I was in Paris early in 1948 helping to set up the ECA in Europe. At that time the dollar gap was some eight billion dollars instead of five. Both industrial and agricultural production were still below the prewar level then. There were still severe shortages of food, coal, steel, railway equipment, and many other essentials. Intra-European trade was far below prewar levels. Substantially all Marshall Plan countries except the United Kingdom were still importing more from the United States than they had before the war. This largely reflected their inability to obtain from one another what they had been accustomed to before the war. In a word, in Paris in 1948, I thought the prospects of closing the dollar gap by 1953 in any orderly fashion were most unpromising.

By now, however, even this second half of the problem of the Marshall Plan shows substantial signs of progress toward solution. One could almost say that, while we were talking about the near-impossibility of closing the dollar gap, great progress in the process of closing it was taking place. It is true that gravely difficult problems in this connection remain.

How is progress toward closing of the gap taking place? Primarily, it is true, through a decline in exports from the United States. This reflects both a decline in exports to Europe and a decline in exports to areas in which United States exports compete with European exports. There is a tendency in some circles to regard this decline in our exports as a catastrophe, both for us, domestically, and for Europe. I do not believe this is so. It is well-nigh impossible to point out important quantities of essential goods which Europe needs from the United States and which Europe is not currently receiving or will not continue to receive under the reduced schedules of ECA aid during the



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coming year. In the main, it has simply meant that the countries of western Europe are returning to accustomed sources of supply, including one another and particularly western Germany.

Nor has this decline in our exports meant an economic depression for the United States. The international exchange of goods is an excellent thing for nations, but it is totally unsound to count upon the export trade as a means of "getting rid" of a general overproduction of goods and services. We do not have to count upon our export trade for this, fortunately, and it is time we stopped using this kind of argument as a justification for foreign aid programs.

Western Europe has also been improving its situation on "invisible account." It is beginning to have a normal net favorable balance instead of the deficit which has characterized its postwar period. To a much smaller extent western Europe has been increasing its exports to the United States and helping close the gap in this desirable fashion. The lowering of our tariff through the reciprocal trade agreements has facilitated this somewhat. A further substantial increase in our imports must occur if the gap is to be closed through internationally desirable means. More importantly, western Europe has been increasing its exports to third areas. In summary, the prospects for closing the dollar gap of western Europe, including western Germany, look much brighter than they did two years ago, even though very great difficulties remain.

I stated at the beginning my intention of dealing with western Germany and western Europe together, because they are actually inseparable. It is appropriate at this point to look at the case of western Germany, so to say, "as separately as we can." It has been pointed out that the recovery of production in western Germany has lagged behind that of western Europe. This has been due among other factors to war damage, reparation removals, the split of the country between the Western Powers and Russia and the like.

It is uncertain how much the limitations imposed upon the production of steel, synthetic gasoline and rubber, ball bearings, aluminum, and so on, by the victor powers have hampered

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German recovery up to now. It does seem certain that the current limitations on steel production of 11,100,000 tons annually will soon begin to operate as a ceiling on German industrial production. Fortunately the proposed Franco-German pooling of coal and steel production will probably provide for raising this ceiling to 12,500,000 tons.

Western Germany faces a more difficult unemployment problem than any of the other Marshall Plan countries with the possible exception of Italy. This is closely bound up with the shortages of capital and credit. Until these are solved, maximum production in western Germany cannot be attained.

There can be no doubt that the maximum industrial potential of western Germany needs to be utilized if the area is to be able to attain economic viability. Exactly the same statement can be made about western Europe as a whole. Each is dependent upon the other. The trade balance of western Germany at the present time, even with the very large excess of imports over exports which still exists, illustrates both the progress that has been made and the serious difficulties in achieving viability which still persist.

It seems probable that a substantial amount of dollar aid may be required by western Germany even after 1953, when the Marshall Plan is supposed to come to an end. The amount of this aid would be much less than current levels, however, and will probably be required primarily in order to pay for the deficit in bread grains which seems bound to persist on a large scale. Fortunately, in the light of our surplus supplies of bread grains, it looks as though there might be less difficulty in furnishing this form of aid than almost any other.

So far I have painted a picture which must seem far more optimistic than that which is usually offered. I wish I could leave it at that. All this so far has been predicated on the assumption that western Germany is an integral part of western Europe and will have the opportunity to develop as such. In point of fact, neither the German economic nor the German political problem is capable of solution as German problems. They are soluble only as part of a general European solution or at least as part of a general western European solution. I return

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to my rhythm and say that neither the European economic nor the European political problem is soluble without Germany.

So far I have ignored the question which must be in many minds. What about the German military threat, if full industrial revival is allowed to take place? I think the answer must be that it never was really feasible to attempt to insure peace in Europe by limiting German industrial development for non-military purposes. It is quite true, of course, that *any* industrial plant has some sort of military potential, even flour mills and textile plants. But no nation can make war solely with flour mills and textile plants. No nation can do so even with steel mills and machine-building plants. These have to be supplemented with or converted to the production of guns, tanks, airplanes. Troops must be raised and trained and the like before a war can be fought.

It will be pointed out that Hitler did precisely this. Of course, he did. But it is utter childishness to say that he did it secretly. It took him six years to do it, and there never was the least excuse for the world not to know what Hitler was doing. It was the will to stop Hitler's arming which was lacking, not the knowledge that he was doing it.

It is in this connection that the new French proposal for merging control of French and German coal and steel production is of such major importance. In spite of very difficult problems involved in putting such a plan into operation, its potentialities for the prevention of German rearmament without French knowledge and acquiescence are almost perfect. I would not emphasize the fact that it would make secret rearmament impossible. That would be impossible on any important scale in any event. What is important is that none of the preliminary steps in the mobilization of German industry for war could be taken without the French being able to veto such steps at once.

So long as the French were not willing to enter an agreement which would make possible the full utilization of the industrial potential of eastern Germany, so long was the development of an economically viable western Germany and western Europe practically hopeless. Understandably, the French would not agree to this until they felt that a system could be set up which

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would give them a veto over the use of German industrial potential for war purposes. Since at long last the French seem to believe they have found such a scheme, we may feel that the way to the solution of the dilemma may have been found.

So far I have spoken of western Germany and not of eastern Germany. I have done so because I believe that at the present time nothing can be done about eastern Germany. There seems little doubt that some day it will be reunited with western Germany. We do not know on what terms the reunion will take place. I believe that it will happen eventually through the absorption of eastern Germany by western Germany. It might happen the other way around, but, if it should, we would have lost the war, and nothing much would matter then.

Economically, the German economy would be somewhat more viable with the eastern part joined to the western, but not very much. The political importance of the juncture would be greater than the economic.

Can western Germany and western Europe become viable without the restoration of the prewar volume of trade with countries now behind the Iron Curtain? I think the answer is "Yes." The revival of that trade would be advantageous, but it is not crucial. In any event, so long as the present split between Soviet Russia and the West persists, there is not likely to be a much larger volume of products available from the satellite countries to pay for commodities purchased from the west. There has been a tendency during the past couple of years to exaggerate the admitted importance of East-West trade in Europe. I do not believe the viability of western Europe depends primarily upon a further removal of this trade.

I am afraid I have talked as though the future of Germany and of Europe did not depend at all upon the outcome of the cold war. It is perhaps as though I had discussed the possibility of placing the engines of a ship in good repair while she was driving toward a rocky coast, propelled by winds of hurricane force. If the ship strikes the rocks, all will be lost even though the engines are in perfect repair by that time. The repair of the ship's engines may, however, be finished in time to help meas-

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urably in keeping the ship off the rocks, although it will have no effect upon the violence of the hurricane.

So indeed it is. I cannot deny that we are in the most critical and dangerous stage of the cold war to date. Economic recovery in western Europe and western Germany would aid us greatly in fighting the cold war. Nevertheless, it may well be the military and not the economic factors which will determine the outcome of the present desperate struggle. But the cold war is not my lecture subject. Any optimism which I may have expressed refers exclusively to economic factors and developments in Europe and not to the status of the cold war in general.

# ECONOMIC CONDITIONS AND POLITICAL FORCES

By DANIEL F. MARGOLIES

UNTIL recently the German people have been largely preoccupied with their own domestic problems. The shock of defeat continued for years after the war, and the paralyzing inflation made the day-to-day problem of getting something to eat quite enough to occupy people without permitting them leisure or opportunity for outside organizational activities.

In the last two years, owing to currency reform, liberal financial aid from the United States, and two abundant harvests, the economic position has enjoyed a remarkable improvement. This has been reflected to a certain extent in a growing interest on the part of the people in public affairs and increased activity on the part of organizations among industrial workers, farm groups, and businessmen. There is still a considerable lethargy among the people as a whole which is necessarily reflected in the programs of these organizations. In addition, lack of contact with the outside world has resulted in a parochial, introverted attitude on many issues.

Recent moves on the part of the United Kingdom, France, and the United States as occupying powers have, we feel, gone far toward breaking open the doors into Germany and letting in some fresh air. We have taken a number of significant steps toward bringing the German people into direct contact with their neighbors and toward identifying their interests and loyalties with those of the free peoples of Europe. A year ago, when the decision to permit the establishment of the German Federal Republic was reached, it was announced as a major objective of the three Allied governments to encourage and facilitate the closest integration on a mutually beneficial basis of the German people under a democratic federal state within the framework of the European association. Last November, at a meeting in

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Paris, the foreign ministers made arrangements for the Federal Republic to re-establish ties abroad, consulates and commercial representatives, and also Germany was invited to participate in a number of international organizations including the OEEC, the Organization for European Economic Cooperation. At the last meeting the intention of the occupying powers to relinquish controls and return sovereignty to the Germans to the maximum extent feasible, consistent with the continuation of the occupation, was stated to depend upon the attitude of the German people toward desiring a closer association with the Allies and their success in broadening democratic institutions at home.

But I would like to underline the point that the most significant step that we have had, particularly as taken in connection with the London meeting, is that undertaken by the French government in the offer of M. Schuman for the pooling of French and German coal and steel resources.<sup>1</sup> The initiative displayed by the French in offering to deal with the Germans as partners in constructing a closer European association has infused strength and reality into Allied policies. The proposal has been warmly received in Germany, and it is our earnest hope that the proposal will be implemented in a way which will lead Germany progressively into a firm and mutually beneficial association with the other European countries and, further, that it will lead to a closer association on the part of their business, labor, and farm groups with those of the Allied powers and the development of these organizations along democratic lines.

Now the German trade-union movement has already established firm ties with the labor organizations of the Western Powers. It is today one of the strongest forces in promoting democratic ideals within Germany and in linking Germany with the democratic forces abroad. The trade-union movement has been newly organized since the end of the war. Trade-unions were abolished under the Nazi regime, their leaders were exiled or killed or imprisoned, and their properties were confiscated. To a certain extent, in their new organization the trade-unions have attempted to avoid past mistakes. Prior to the Nazis, trade-unions were separately organized into political groups and

1. See the chapter by Calvin Hoover in this volume, pp. 48-49.

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were more or less appendages of the various political parties. For example, the free trade-unions were affiliated with the Socialist party, the Catholic trade-unions supported the Center party, there were Communist trade-unions tied up with the Communist party, and among white-collar workers in particular there were rather small trade-unions that had specific ties with conservative parties. At present there is a single trade-union federation composed of sixteen federated unions with a membership of some six million out of a total working population of twenty million. The jurisdiction of the trade-union federation extends to all employees except for those in government service, who have an independent union. The trade-union federation is not identified with any political party. It is true, the Socialist party has a number of members in leading posts and considerable influence on policy. But there have been occasions upon which the trade-unions have not followed Socialist leadership on specific issues, and I would not be surprised if in the future this situation will recur from time to time.

German labor faces serious problems. There is the acute housing shortage, which operates particularly to the disadvantage of urban labor, and it appears likely to persist for years to come. The incidence of inflation lay hardest on the cities as opposed to the farm groups and on the urban groups. Those who were employed did not fare too badly, but their relatives all did, so that it amounted to almost the same thing. The workingmen and their families were those who bore the hardships during the food shortages of 1945-49. The industrial recovery which has taken place has resulted in a vast improvement in the diet, quantitatively and qualitatively. Nevertheless, even though prices have remained fairly constant in relation to wages, wages have been relatively low. As has been pointed out, there has been little agitation on the part of the unions and of laboring groups for higher wages, and wages have remained quite stable.<sup>2</sup> According to the statistics compiled by the trade-union groups, the share of labor in the national wealth is below par, below prewar, and is slipping further behind. In addition, there is the unemployment problem, which has grown to serious proportions. In June,

2. *Ibid.*, p. 43.



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1948, unemployment was 500,000; today it is in the neighborhood of 1,800,000, out of a working population of some 20,000,000. Moreover, we have to face the fact that there is still considerable disguised unemployment in Germany, so that that figure need not necessarily be the maximum, even though the economic situation remains at its present level of activity.

It was to be expected that as a result of currency reform there would be improvements in labor productivity, and of course the doubling of industrial production with the same labor force indicates that labor productivity has vastly improved. This has not been a uniform pattern, however, because particularly in the case of government employment there is still considerable possibility for further efficiency, and the Reichsbahn offers a striking example. It would be possible, we think, to reduce the employment by the Reichsbahn by a very substantial figure. That is true, I think, of other government services that have similar overemployment. So the problem of unemployment is even more serious than the figure of 1,800,000 would indicate, in terms of the necessity of expanding the economy to offer new opportunities.

The interesting thing is that the trade-unions have not been particularly active in regard to either housing, wages, or unemployment. They have been concerned with certain institutional changes. It is a well-known fact that the main energies of the trade-union movement have been devoted toward the question of ownership of the steel and coal industries in the Ruhr and, more immediately, the problem of codetermination. This is a subject which requires somewhat longer analysis than I can give it. The trade-unions have proposed a law that would require employers of enterprises of a certain size to have on the board of directors a certain percentage of labor representation. The percentages vary in different drafts of the law. The union draft requires that half the board of directors consist of employees. The union has also suggested that the representatives be elected by the trade-unions, not necessarily from among workers in the plant. There has also been a proliferation of this form of worker-employer co-operation or co-ordinated activity through regional boards and national boards, part labor and part employer. It

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represents a profound institutional readjustment within Germany that would presumably have advantages from the point of view of the labor movement on the more urgent economic issues of wages, housing, and employment, and it represents an effort to deal with the pressing political and economic problems through a technique that is on the whole unique within that country.

Meantime, employer organizations in Germany rapidly regained their former influence and membership, partly perhaps, as has been suggested, as a swing toward normalcy, and wide organization of business groups in Germany has been the norm.<sup>3</sup> It is true that, under the Nazi regime, membership was compulsory and that the organizations were given broad governmental powers which aided their functioning. These conditions have been eliminated. Membership is today voluntary, and the organizations are not permitted to exercise functions of a governmental character through legislation. However, trade and employer organizations in Germany have traditionally moved in the direction of seeking arrangements for the support of prices and the allocation of markets and for creating conditions of security by these means. These functions are also prohibited today, but nevertheless the rigidity of prices in the face of excess production indicates that the business community has not yet been convinced of the advantages of competition. Furthermore, in the field of small business and crafts, it has been a regular practice in Germany to grant by legislation to the groups the right to license or refuse to license new competition. As a matter of fact, this has not been confined to small business. In connection with government assistance, for example, it was not uncommon for the business organizations to be given a responsibility for selecting the people who would receive government loans, and there has been a wide variety of methods by which the competitors have the right to determine the extent to which they will face additional competition; that is, the groups that would be exposed to competition have been given the right to determine the extent to which they will permit it. At the present time, particularly as regards the small businesses, the shoe-

3. See the chapter by Howard Becker in this volume, pp. 12-24.

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makers, the tailors, etc., and the presence in Germany of millions of refugees from the East who possess particular talents for artisanry or for operating small business, this type of regulation could have a pernicious effect in shutting off opportunities and leaving these people no hope to escape from their present wretched situation. The United States has taken the lead among the occupying powers in attempting to eliminate this type of licensing and, in general, in attempting to persuade the business community to stay out of the field of restrictions on trade.

On the other hand, trade groups in Germany have supported efforts to break down trade barriers in Europe as a whole on a national basis. This is part of the program that the Organization for European Economic Cooperation has been carrying forth, partly as a result of a certain amount of pressure from Mr. Hoffman in the Economic Cooperation Administration to widen the European market as rapidly as possible. In this effort Germany has notably done quite well. She has opened up her markets to goods from other countries to a much greater extent than she has enjoyed reciprocal privileges in return.

As far as the farm groups in the German Federal Republic are concerned, in the first place I think the point was made that farming in western Germany is characterized by very high yields but a rather extravagant use of manpower, quite unlike the more efficient farms that were operated in eastern Germany. The farmer in western Germany has, however, long enjoyed special political status and favor, particularly in Bavaria but also in southern Germany, and farm organizations which represent him tend to be regional and parochial and extremely conservative groups, although influential politically. The new importance which has been placed upon agricultural production in western Germany due to the loss of the agricultural east, and the relative prosperity which farmers have been enjoying for some time since the end of the war, has led to somewhat broader interests on the part of farm groups in the western area, particularly interests in United States methods of farm education and extension work and organization. It is hoped that the exchange of ideas in this field will lead to a somewhat broader democratic trend in the development of these groups.

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At the present time I think it is true that the farm organizations and the labor and business groups have shown extreme restraint and moderation in their programs and in their relations with one another. The extent to which they can continue to avoid sectarianism and violent partisanship contributes toward a solution of the extremely urgent problems with which Germany is faced today and will, of course, have an effect, a profound effect, upon the strength and stability of Germany and of Europe as a whole.

# ECONOMIC POLICY AND POLITICAL EQUILIBRIUM IN POSTWAR GERMANY

*By* WALTER W. HELLER

## I. INTRODUCTION

NOWHERE in the Western world are economic problems more deeply political in origin, intensity, and significance than in the German Federal Republic. Each of the pressing problems which confront economic policy—unemployment, economic inequality, capital scarcity, and foreign-trade deficit—owes some of its origin and much of its intensity to the political aftermath of war, even more than to war itself. Most conspicuous as a contributor to the severity of all four problems is the ever growing split between East and West. Less conspicuous, yet adding materially to the difficulty in solving these problems, are the political and economic restrictions imposed on Germany by her future partners in the Atlantic community.

Political considerations enter the economic arena much more menacingly, however, in the high premium they place on success and the equally high penalty they would impose on failure of our avowed policy of economic freedom in Germany. Failure would weaken the Western world's case against communism, would provide a common rallying ground for the dissident German minorities, and would undermine the developing structure of western European unity. It is probably not overdrawing the issue to say that it is the political equilibrium of Europe—fully as much as the economic objectives of high employment, better income distribution, increased productivity, and higher living standards—which is at stake in German economic policy.

To examine the critical issues of economic policy against a backdrop of unstable international and internal political equilibrium is the main task of this paper. To facilitate the inquiry, it may be useful to define briefly the four main problems which challenge policy.

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First, unemployment—though down from its ominous winter peak of 2,000,000, partly in response to Korea, it still stood at 1,300,000 (about 8 per cent of the labor force) in the fall of 1950. Second, economic inequality—wide disparities between refugees and the native population, between high- and low-income groups, and between propertied and laboring classes seemed still to be growing in 1950. Third, capital scarcity—war destruction, dismantling, obsolescence, East-West barriers, and the requirements of “export or die” create an insatiable demand for investment in plant, equipment, and inventory. As yet, only a feeble flow of voluntary savings and venture capital is coming forth to satisfy it, and, in the face of the threat from the east, little reliance can be placed on private foreign capital to overcome the deficiency. Finally, the persistent foreign-trade deficit—in spite of a continued rise in exports (to an annual rate of over two billion dollars in the third quarter of 1950), imports have risen even faster to put Germany in a precarious balance-of-payments situation with respect to her commercial trade (quite apart from about one-half billion dollars of imports which ECA aid will pay for during 1950–51).

### II. THE IMPACT OF THE EAST-WEST CONFLICT

1. *As a source of economic dislocation.*—Even more than the ravages of nazism and World War II, the cold war has distorted and burdened the economy of western Germany. It has pushed some nine million refugees into western Germany and slammed the door behind them. It has shattered long-established patterns of production and trade. It demands the maintenance of the costly Berlin outpost.

The vast influx of refugees and expellees presses hard and unevenly against western Germany's agricultural resources, against its limited supply of physical capital in general and its desperate shortage of housing in particular. In 1949 the rate of unemployment among refugees was triple that of the indigenous population. Moreover, refugees were heavily concentrated in the three predominantly agricultural *Länder*—they comprised about one-third of the population in Schleswig-Holstein, one-fourth in Lower Saxony, and one-fifth in Bavaria, as against

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about one-sixth for the bizonia as a whole. In combination, these two factors produce a strikingly uneven geographical pattern of unemployment and correspondingly complicate the task of economic policy. Once thoroughly woven into the economy and equipped with sufficient physical capital, the skills and manpower of the refugee group may prove a valuable asset to western Germany. Today, however, their status is uncertain, their economic distress is great, and they are a source of social unrest and tension—on balance, they are an economic and political liability.

In breaking countless chains of production, internal trade, and finance, the East-West conflict has further weakened the economies of both Germanies. Any given quantum of plant and equipment, walled off from much of its organic counterpart, will deliver less product than before. One index of economic disruption is provided by the comparison of 1936 and 1948 interzonal trade figures recently made by the United Nations Economic Commission for Europe. It estimates that the western zones exported 2.4 billion marks of industrial and agricultural products to the Soviet zone in 1936 and imported 2.2 billion marks. In 1948 the corresponding figures were 160 million marks and 125 million marks (in terms of 1936 prices), or 7 per cent and 6 per cent, respectively, of the 1936 levels. Even if we were to double the 1948 figures to take account of illegal interzonal transactions, the remaining fractions still reflect appalling damage to Germany's economic fabric.

Another consequence of the cold war is the throttling of trade with eastern Europe. On economic grounds, the Organization for European Economic Cooperation, for example, originally estimated that eastern Europe would absorb about 20 per cent of western Germany's postwar exports and furnish a similar proportion of its imports. Seen in this light, the proportion of bizonal exports actually marketed in eastern Europe in 1949—only 5 per cent—represents far less than a reasonably full exploitation of the mutual gains inherent in trade between the two areas.

Another aspect of the cold war which makes heavy demands on the West German economy is the maintenance of the Al-

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lied outpost in West Berlin. It is considered vital to the Western world to hold this outpost, yet its isolated position keeps it continually on the verge of bankruptcy. Unemployment, for example, exceeds 250,000. Attempts to support Berlin industry by orders from the West have thus far met with only limited success. West German business is wary of forging new chains of commerce which are so obviously in danger of being broken. Hence, a large and continuing subsidy must be poured into West Berlin, thereby diverting Marshall Plan aid and western zone resources. However vital in the interests of international political equilibrium, this diversion slows down economic recovery in western Germany. This realization, combined with the obvious vulnerability of Berlin and perhaps also its political complexion (strongly Social Democratic), may account for the reluctant and halting action of the German Federal Republic in coming to Berlin's aid.

In decrying the very real damage inflicted on the West German economy by the cold war, one should not overlook a significant offsetting gain—a peculiarly German gain—as the cold war gets hotter. For in stimulating rearmament and quickening the economic pace of the Western world, the East-West conflict provides a welcome stimulus to German production and trade. In fact, it strengthens western Germany relative to other countries. If present policies are pursued further, Germany's contribution to the western defense effort will be bought and paid for by the other participants (chiefly the United States). Western Germany will produce and export more producers' goods and import more raw materials and civilian goods and will improve its living standards in the process. At the same time it will be raised more quickly to the status of full economic partnership in the Western world.

2. *As a prod to economic policy.*—In so far as our containment policy rests not merely on military strength but on a demonstration of the power of our economic institutions to deliver full employment, reasonable economic equality, and higher standards of living, the assignment of economic policy in western Germany is most critical, for here is our most brightly lighted showcase for the wares of economic freedom. Not only is western Ger-



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many right on the most vital front of the cold war but we have made it—more by design than by chance—a proving ground of economic orthodoxy.

The battle lines between complete regimentation and very extensive laissez faire are sharply drawn in postwar Germany. Both sides have in fact moved significantly farther toward the opposite poles in the last two years. The Russians have taken the Nazi controls they found, adapted them to their own uses, and even intensified them. In contrast, beginning with currency reform and running progressively since that time, a policy of decontrol and financial orthodoxy has dominated the scene in western Germany.

Anyone who might doubt that internal economic policy is a primary weapon in cold wars should examine the recent experience of the Soviet zone. Recent dispatches indicate that the Russians are convinced at last that empty promises are no match for full stomachs in gaining the allegiance of the German people. They have tempered their reparations demands, modified their harsh economic policy in eastern Germany, and speeded the recovery of productivity. The West German press was quick to note the political implications of this attempt of the Soviets to strengthen their zone economically. The *Frankfurter Allgemeine Zeitung* of May 11, 1950, suggested that it places the Western Allies before the alternatives of further improving economic conditions in western Germany or of permitting the Russians to score another propaganda success.

To be sure, much more than propaganda and increases in production will be needed to overcome the long lead of western Germany in this "battle of comparison." For example, industrial production in the Soviet zone, though rising rapidly, had reached only 81 per cent of 1936 by July, 1950, as against 107 per cent in the Federal Republic. Where poverty is great and the tradition of individual rights and freedoms is weak, as in most of Asia, even elemental improvements in the economic lot of the masses by means of land reforms and other attacks on concentration of wealth can exercise a powerful attraction toward communism. But the same policy cannot make much headway among advanced peoples—especially in the face of revolting op-

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pression and injustices—so long as the path of economic and political freedom leads uphill rather than downhill.

The danger lies less in the improvement of economic conditions in the eastern zone than in deterioration of the situation in western Germany. Thus, if unemployment is used as the basic defense against inflation, if policy-makers callously disregard the claims of refugees and other "irregulars" to a full share in western Germany's economic life, and if wage-earners feel that economic progress is being achieved at their expense rather than for their benefit—an economic policy of undiluted orthodoxy would court each of these dangers—the natural advantage of the free world in its struggle with communism in Europe would be badly eroded.

### III. GERMANY'S PARTNERSHIP IN THE WESTERN WORLD

The second major aspect of the interdependence of political and economic policy involves the place of western Germany in the Western world. There are several facets of this relationship. One is our policy of restraining the development of militarism and totalitarianism. As part of that policy, for example, we built into the German tax structure a considerable measure of decentralization and a combination of federal, state, and local taxing powers which is quite unique in history. Dispersion of fiscal power may or may not serve to thwart an incipient totalitarian movement—I have relatively little faith in its being able to do so—but there is no doubt that it undermines an effective and consistent economic policy. How, when vital powers are divided between the *Bund* and the *Länder*, can the central government operate effectively and quickly to take fiscal action against inflation or depression?

A related case in point is the Allied opposition to re-establishment of a dependent central bank—we remembered only too well how effectively the Reichsbank served Hitler. So, in setting up the postwar structure, the Allies put the central bank (Bank Deutscher Länder) largely under the control of the state governments. It was not to be a mere servant of the central government. Again, this *may* be an effective means of holding financial power out of the reach of a group with militaristic or totalitarian

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tendencies. But simultaneously it makes it more difficult to co-ordinate the economic policy of the new German Federal Republic. In striving to build democracy into the German governmental framework, we have undermined the power of that democracy to provide economic and hence political stability.<sup>1</sup>

The economy itself has been weakened by the dismantling, especially in heavy industry, undertaken in pursuance of demilitarization and reparations policy. Demilitarization has also left a trail of economic restrictions, though these are by no means all loss and no gain for the West German economy. In some cases, to be sure, industry has been denied the right to develop in directions of the greatest comparative advantage, for example, aeronautics and certain branches of metallurgy. But the curbs on munitions and on high-cost synthetics contribute to better, not worse, utilization of resources.<sup>2</sup>

Allied policy has gradually shifted its emphasis from blocking future aggression by hobbles on political and economic power to a more positive program of drawing western Germany back into the economic complex of the Western world. Qualification for full membership has required, first of all, a demonstration that German foreign-trade policy is throwing off its Schachtian shackles. While progressively cutting external aid and demanding viability by 1952-53, we have steadily pushed Germany toward multilateralism, reduction of tariff barriers, and lifting of selective import controls. Trade liberalization has made western Germany a more respectable, but apparently not a more responsible, candidate for full membership, for, while exports were expanding satisfactorily during 1950, imports rose alarmingly. Western Germany's trade position vis-à-vis its partners in the new European Payments Union deteriorated so rapidly in mid-1950 that drastic credit restrictions—with potential unwanted repercussions on the home economy—had to be insti-

1. See the chapter by Hans Simons in this volume, esp. pp. 117-19. As Simons indicates, the actual outcome of the constitution-drafting process was a stronger central government than had been contemplated in Allied deliberations on the subject. This may make the path of future militarists and totalitarians somewhat easier, but it also enables a democratic government to deal more effectively with economic problems.

2. For an illuminating review of restrictions on the economic development of western Germany see Howard S. Ellis et al., *The Economics of Freedom* (New York: Harper & Bros., 1950), pp. 192-96.

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tuted. The path to full partnership in the Western economic world is indeed thorny.

The economic prerequisites of stable political equilibrium among Germany and the rest of the Atlantic community apparently go beyond constitutional provisions and Allied directives and restrictions. They also take the form of a strong undercurrent of Allied approval of a domestic economic policy whose guiding lights are conservatism and free enterprise.<sup>3</sup> One of the riddles of occupation policy is why a Labour government in Great Britain and a "Fair Deal" Democratic administration in the United States should foster such orthodoxy abroad. Perhaps the answer lies in the fact that occupation policy has until recently been dominated by war departments and foreign offices. In so far as control over German economic policy has been shifting to Economic Cooperation Administration, warm indorsement of laissez fairism has increasingly been replaced by sharp criticism and by advocacy of more aggressive fiscal-monetary measures.<sup>4</sup>

### IV. THE THREAT TO INTERNAL POLITICAL STABILITY

Considerations of internal political equilibrium also make heavy demands on economic policy. They urgently demand reversal of the recent trend toward greater economic inequality. Crass inequalities grew out of war, currency reform, and the swift return to a free-market economy. Currency reform created a great many disparities, especially by drastically scaling down all monetary assets and claims without imposing a companion capital levy on real wealth. Relatively little has been done to indemnify bombed-out persons and other war losers. The plight of the largely dispossessed refugee class has already been mentioned. Conservative policies of generating savings through high profits and generous tax concessions to the upper-income groups have further widened the gap between upper and lower, propertied and property-less, economic groups.

Such inequality is a good breeding ground for political discon-

3. Cf. Professor Simons' interesting observations on this general point (below, p. 121).

4. Cf. Economic Cooperation Administration, *Country Data Book, Germany (Federal Republic)*, March, 1950, esp. pp. 7-9.

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tent. Some indication that the disadvantaged groups may be polarizing as a political force on the German scene is provided by the 1948 attempt by the refugees, bombed-out persons, and other war losers to form a political party of their own, the "Notgemeinschaft." Though the right to form this party was denied by the military government (at the time, the licensing of political parties was still in Allied hands), a parallel party has now assumed a major role in Schleswig-Holstein, capturing 23 per cent of the votes in a recent election.<sup>5</sup>

The problem of political equilibrium as related to economic policy may also be viewed in a somewhat different light. The totalitarian-minded splinter groups still operating in Germany—some openly, others below the surface—are another threat to stability. At present, the threat is remote, since they are weak and poorly organized and tend to follow the dissident voices of various individual leaders. But the experience of the thirties suggests that widespread economic distress could provide enough of a common rallying ground to unify them into an ominous force in German political life.

### V. THE IMPACT OF ORTHODOX ECONOMIC POLICY

We are thus brought face to face with the impact and implications of the classical, anti-Keynesian policies which have ruled the West German economic roost since mid-1948. First impressions are highly favorable. Industrial production surged upward from 50 per cent of 1936 levels at the time of monetary reform (June, 1948) to 80 per cent six months later, reached 100 per cent before Korea, and spurted to 121 per cent by September, 1950. Gross national product rose from some DM. 60 billion in 1947-48 to DM. 85 billion in 1948-49 and DM. 93 billion in 1949-50 (equal to the 1936 level), and promises to be sharply higher in 1950-51. Although the 22 per cent rise in population since 1936 deflates this performance substantially, it still stands as a remarkable achievement.<sup>6</sup>

5. For a searching evaluation of these developments, refer to the chapter by Sigmund Neumann in this volume, esp. pp. 32-37.

6. Prices and the cost-of-living index have meanwhile been falling, not rising, since late 1948. Only a limited upturn took place in the early post-Korean months, and it

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In considerable part, of course, the spectacular advances of the West German economy were based on Marshall Plan imports, splendid harvests, renewed access to world markets, etc. But this is not to belittle the contribution of domestic economic policy. The hard money created by a hard monetary reform and zealously protected by subsequent tight-money policies restored the carrot of monetary incentive. Decontrol removed the stifling overburden of price control and rationing, thus helping to restore the stick of competition and market-determined prices.<sup>7</sup>

However much he may deplore the sociopolitical by-products of this process, the economist finds it hard not to take some pride in the invigorating effect on German productivity of its exposure to the air of economic freedom and some pleasure in the re-establishment of the sovereignty of the consumer. Unquestionably, an economy which was so long insulated from the test of the market place by Nazi regimentation was warped and wasteful. War destruction and a worthless currency disorganized it still further—by mid-1948, West German industry, trade, and agriculture were so distorted as to be little more than a caricature of a modern economy. Yet, today, Germany is well on her way to becoming once more the economic powerhouse of Europe. The market mechanism has been an effective instrument for bringing order out of chaos, for re-establishing economically defensible guideposts for productive activity.

But satisfaction quickly gives way to apprehensiveness when one contemplates, first, the unsolved problems sketched at the

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had not yet reversed the downward trend in cost of living by September, 1950. For a more detailed discussion of the points treated in this section see Walter W. Heller, "The Role of Fiscal-Monetary Policy in German Economic Recovery," *American Economic Review*, XL (May, 1950), 531-47.

7. Lest this point be misinterpreted, one should hasten to add that, especially in Germany, decontrol and full-fledged competition are by no means synonymous. The German businessman strongly prefers competitive *Gemütlichkeit*, that is to say, he does all he can to protect himself from the rigors of extreme competition. This is reflected in the restrictions on the right of new entry into business; it is reflected in the popularity of powerful trade associations; it is further reflected in the emphasis on relatively stable output. On a broader scale, it expresses itself in the cartel movement. One also gets the uneasy feeling that the German businessman's interest in projected inter-European agreements for numerous industries (not just coal and steel) stems not so much from zeal for economic integration as from his hopes that these agreements will be protective arrangements with respect to markets and prices.

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outset of this paper and, second, the ineffectiveness of too-orthodox policies in dealing with them and the rationalizations—amounting almost to smugness—offered by German policy-makers for not taking more positive action. A consideration of these shortcomings and attitudes as they express themselves in each of the major problem areas increases the conviction that present policies are inadequate.

1. *Unemployment.*—The controversy over unemployment poses immediately the fundamental question of whether economic policy has done all that it could to absorb the large number of unemployed. Economics Minister Erhard, for example, tells us that most of the problem is structural in origin, arising from war damage, dismantling, East-West dislocation, increases in productivity, rapid additions to the labor force (and geographical maldistribution), the great stream of refugees, and the coming of age of the "Hitler babies" of the thirties. The latter element, incidentally, introduces an interesting pattern of impetus to the labor force; the annual current addition to the labor force from this source is about 500,000; it will rise to about 800,000 in 1953 or 1954 and then drop very suddenly to 150,000. One sometimes has the feeling that the West German policy-makers are waiting for that day of lower influx into the labor force and possible repatriation of the refugees to solve their unemployment problem. The disciples of orthodoxy in Germany are saying in effect: "We are, after all, compiling a remarkable record of absorption of the additions to the labor force, so we must not let ourselves be pushed into taking fiscal and monetary steps which would invite inflation."<sup>8</sup>

The latter tone, couched in terms of economic analysis and buttressed by persuasive arguments and relevant data, characterizes the very competent reports of the Bank Deutscher Länder. The bank was quick to seize upon the stimulus of Korea to German economic activity as an illustration of inflationary consequences that would have ensued from an aggressive fiscal-

8. Actually, any given percentage of unemployment should be viewed with greater concern in western Germany than, for example, in the United States. There, the total labor force is only 15.4 million out of a population of 48 million, i.e., less than one-third. Here, the ratio is just over two-fifths. This comparison reinforces the argument that western Germany can ill afford unemployment.

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monetary policy. What the bank failed to note, however, was that the response of the German economy to this stimulus substantiated what advocates of a more active policy had been maintaining, namely, that there was sufficient slack in German plant capacity, a sufficient widening of the critical power, steel, fuel, and transport bottlenecks, and a sufficient flow of raw materials to permit substantial expansion without serious inflation.<sup>9</sup> If that slack had been exploited sooner, productive capacity would already have been expanded.

Even after Korea, unemployment remains a vexing problem and a potential source of demands for radical action. To the unemployed it does not matter very much whether the origin of unemployment is the result of international political dislocation, or how it is geographically distributed, or whether one method of absorbing the unemployed is economically healthier than another. What matters is to be re-employed. To avoid unstabilizing political developments from this source, public policy not only must take positive action but must incur some risks. We hear, for example, that Germany is already floating in as much purchasing power as she can stand and that credit creation would merely bring on inflation. Granted that there are risks of inflation and related interferences with the export drive in any expansionary monetary-fiscal policy, one must offset against these risks the heavy social costs of economic inequality and unemployment. In brief, it is necessary to incur certain economic risks to avoid incurring even greater social and political risks.<sup>10</sup>

2. *Economic inequality*.—To overcome the more obvious inequalities arising from currency reform and war's dislocations, the German people have looked to the promise of the *Lastenausgleich* (the combined capital levy and burden equaliza-

9. It must be granted, of course, that a stimulus via exports (i.e., in the form of orders from foreign sources) avoids a major problem faced by a program of internal economic stimulus: stimulation of internal demand (especially when accompanied by price rises) tends to concentrate attention on the home market rather than developing the foreign markets on which eventual German viability depends.

10. So long as the post-Korean boom continues, of course, unemployment will probably shrink in spite of policy inertia. But a substantial core of unemployed will remain even in the face of Korea, and the problem will certainly reassert itself with full force if the new artificial stimulus is suddenly withdrawn.



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tion). Except in the form of a temporary emergency aid measure, however, the capital levy has not been forthcoming. Although the Bonn government continues to work on the final capital levy, and much publicity is given to its efforts, an increasing number of observers believe that nothing more than an extension of the emergency aid law of 1949 will actually be enacted. Needless to say, this would dash the hopes of millions of prospective beneficiaries of the equalization measure. To an outside observer, the entire issue involves a strong moral obligation, and failure to honor it would be inexcusable.

It should be noted that sharp inequality in income distribution is not merely an accidental by-product of conservative policy in Germany, for inequality is the royal road to capital formation in the traditional capitalist economy. Routing more income to the wealthy by stimulating profits relative to wages and by shifting tax burdens from higher- to lower-income groups—and both trends are unmistakable in western Germany—generates out of any given national income a greater “surplus” available for saving and investment. An alternative policy consistent with lessened inequality of income is suggested in the following section.

3. *Scarcity of capital.*—What are the possible sources from which the extraordinary investment needs of western Germany can be met, and what are the alternative policy approaches to generating and allocating the savings required for this investment?

For the year 1950–51 (at a time when gross national product was estimated at DM. 92 billion), the following sources of funds for investment were programmed: ECA counterpart funds, DM. 2.2 billion; depreciation charges, reserves, and profits of private industry, DM. 10.4 billion; short-term credits, DM. 0.9 billion; the capital markets, DM. 2.5 billion; German governmental budgets, DM. 2.1 billion. In other words, ECA counterpart funds and governmental budgets provided little more than 4 billion out of a total of 18 billion, all of the remainder being subject to private allocation.

To what extent should savings be employed privately and to what extent publicly? The Bonn regime has followed essen-

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tially orthodox policies of trying to maximize private savings and investment. As the above figures show, the private funds of industry are the prime source of investment. Although profits are not quite so lush as they were in the period immediately after currency reform and the first wave of decontrol—inadequate measures to reach those who had hoarded goods, combined with rapid price increases, permitted enormous profits—they are still very high. Successive tax reductions and special income-tax concession have also played an important role. Much of the benefit of income-tax rate reductions (especially in the measure which survived the conditional Allied High Commission veto in April–May, 1950) has accrued to the upper-income groups. Moreover, the special tax concessions which have been granted for income devoted to savings (such income is partially or wholly deductible from the income tax base) also benefit chiefly the upper-income groups. In other words, prevailing policy depends on potential investment funds in private hands to be guided into plant, equipment, and inventory under the aegis of the profit motive.

Thus, the great bulk of investment is directed—one might say “misdirected”—privately rather than publicly. That it is not going into the socially most useful channels is becoming apparent from the sprouting of new and elaborate store fronts, night clubs, and restaurants and the overdevelopment of certain luxury goods industries. Investment goods industries, which so desperately need funds both to broaden the base of German productivity and to further the export program, are not getting their fair share of private funds. The flow of funds into areas of quick return is hardly surprising in view of the uncommon risks involved in long-term investments so close to the Iron Curtain. Even in this country, investigations of capital formation have indicated that equipment purchases are seldom made unless they can pay for themselves in full within two, three, or four years. When one adds to the fears of obsolescence and economic instability the great fear of military aggression, it is not hard to understand why investment runs into those channels which promise an immediate payoff.

This very understanding should, however, lead to a greater

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emphasis on public investment. Economic Cooperation Administration counterpart funds and government funds are in general being directed very skilfully into the most critical areas, for example, electricity, power, transport, housing, and the like. But at present these represent less than one-fourth of the total.

A further indication of the present policy orientation in Germany is Erhard's recent statement that an additional DM. 4 billion of investment is needed annually for full reconstruction of Germany and that the bulk of this must come from private foreign capital. I have seen little faith expressed outside Germany that a large flow of private foreign capital will be forthcoming, but it seems to be a live political issue inside.<sup>21</sup> Erhard went on to suggest that German savings could be increased by further tax concessions. To an American observer it appears that these have already been overdone. Referring to attempts to route savings through the German Reconstruction Loan Corporation or other state loans and investments, Erhard is quoted as saying, "I should like to see the half-wit who will intrust his money to the state to invest it for him." This is indeed a remarkable statement for a high government official to make at a time when the corporation is offering its issue to the public (with special tax-exemption privileges) as a means of gathering savings for vital reconstruction purposes.

What alternative is there to the present German policy? Distasteful as it might be to the Adenauer government, heavier taxes on the upper-income groups could help overcome both the inequality of income and the inadequacy of investment. By increasing the upper-bracket rates of the income, inheritance, and net worth taxes and by enacting a stiff capital levy, more funds could be made available for public investment. Special emphasis would be put on projects, like housing, which would particu-

11. To clear the way for new investment, the problems involved in prewar investment in Germany must first be resolved. In June, 1950, for example, it was provided that foreign capitalists could send capital equipment and raw materials to Germany for investment purposes. Once having brought their capital to Germany, however, they are given no guaranty of convertibility of their earnings into foreign exchange. Under the general principle of equality of treatment of old and new investors, convertibility cannot be granted to new capital without granting it also to the old. Therefore, the outlook for convertibility for new foreign investments—and with it the outlook for that investment itself—is still very dim.

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larly benefit the dispossessed. Such a program would involve some cost in terms of the reduced economic incentives which accompany higher tax rates. But the offsetting benefits—reduction of luxury consumption and luxury investment, pin-pointing of investment in areas of greatest social and economic demand, increased employment, and abatement of social injustices—make the game easily worth the candle. The economic stimulus of Korea makes such a program more tenable, and the stresses and strains exposed by that stimulus make it more urgent. If that stimulus is withdrawn, the program should be augmented by credit creation and deficit financing through the central banking system. Higher general taxes should always be held at ready, of course, to mop up inflationary excesses of purchasing power which might develop.<sup>12</sup> Such a program would be part of a middle course between tight direct controls and a let-the-market-mechanism-do-it policy.

4. *Foreign-trade deficits.*—Turning to Germany's external trade policy, we find the same thread running through this as through the other problem areas. On one hand, there is the intensification of the problem by broadly political factors, namely, the demands for trade liberalization incident to assimilation of western Germany into the Western economic world. Membership in the European Payments Union, especially, has speeded the freeing of imports from direct controls. On the other hand, there is exhibited that complacency or even irresponsibility which has led the London *Economist* to refer to the worsening of the Federal Republic's commercial trade position in terms of a "spending spree" and "rake's progress." Under the combined stimulus of relaxation of import controls, the heavy pull of the home luxury market, a scramble for inventories and other factors, Germany incurred a deficit of over \$150 million vis-à-vis the other members of the European Payments Union in the first three months of its operation. This figure compares unfavorably with the total credit of \$320 million the Germans are allowed for the first two years.

12. Since taxes represent only about 25 per cent of national income in western Germany—against, for example, 40 per cent in Great Britain—some leeway for both specific and general tax increases surely exists.

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The response of the Bonn government has been to tighten the payment requirements for imports and, far more significant, to tighten credit in general in the domestic economy by upping reserve ratios, rediscount rates, etc. The striking dangers of such policy for an economy beset with large-scale unemployment and already subject to a tight-money policy are self-evident. Apparently, in the absence of enlarged external aid or the reimposition of selective import controls, the ultimate protection of the foreign-trade position will come in the form of unemployment. Here we find one of the triads which economists are fond of erecting in order to demonstrate that they cannot coexist: free trade, full employment, and stable prices. To protect the trade position and stabilize prices, employment must give way. This may be the preference of the Bonn regime, but one can also visualize them as using this crisis as support for demands for more foreign aid and a reversal of the trade liberalization program.

### VI. CONCLUSION

On every major economic front in western Germany, further progress is being thwarted by excessive orthodoxy. Regardless of the causes of the problems and their intensification by various international political considerations, this much is clear: to the extent that governmental policy can take steps to overcome these problems within a basic framework of economic and political freedom, but fails to do so, to that extent, policy is deficient and costly. The prevailing policies in the German Federal Republic are open to this charge.

To be sure, the problems are difficult and vexing, and the danger of renewed inflation always lies uncomfortably near. A second favorite triad of the economists, in application to the United States, is that of full employment, stable prices, and strongly organized producer groups—any two can coexist, but not all three. Similarly, it is said that western Germany cannot simultaneously maintain full employment, stable prices, and economic freedom—again, any two, but not all three. What this paper has suggested is that a middle way involving moderate inroads on private enterprise and some risk of inflation offers

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the best chance for reconciling the three objectives—and that, as against continuing large-scale unemployment and inequality, the risks had better be taken.

The quickening of economic pace which has followed Korea provides a welcome easing of the unemployment problem. But it would be a mistake complacently to accept it as a final solution of this problem, and it has thrown the other three problems into even bolder relief than before. It re-emphasizes the need for fuller use of modern monetary-fiscal instruments (both in anti-depression and in anti-inflation policy); for a program of heavier taxation of the wealthy to abate inequality and to route more investment funds through public channels; for such measures as luxury taxes and, possibly, reimposed selective import controls to husband foreign exchange more carefully for essential uses; and for a thoroughgoing *Lastenausgleich*. Such measures as these fly in the face of the full-blown orthodoxy which has dominated policy since 1948. Yet, in my opinion, they offer the surerest route—short of a controlled economy—to full use of western Germany's human and material resources. By the same token, they would not only bulwark the political structure of the German Federal Republic but also further our own international political objectives.

## GERMANY: THE POLITICAL PROBLEM

*By* HANS J. MORGENTHAU

A FRUITFUL discussion of the German problem, viewed from the American point of view, must take for granted three fundamental facts. The first fact is the natural position in which the German people find themselves in the midst of Europe. They are by nature the most populous and the most disciplined people in Europe, who have at their disposal the greatest industrial potential on the Continent. In consequence, if nature were allowed to take its course, Germany would necessarily become the master of Europe. It is this mastery which the other peoples of Europe refuse to accept and which to prevent they have fought two world wars in one generation. And even today, as a member of the House of Commons put it recently, the peoples of Europe look at Germany through the barbed wire of the concentration camp. It is this contradiction between the natural endowment of the German people and the political viability of the Continent which, viewed with European eyes, constitutes the German problem. It is this contradiction which Clemenceau had in mind with his frank, cynical, and brutal statement that there are twenty million Germans too many. That is to say, if Germany were considerably less populous than she actually is, the German problem would not arise.

The second fact which one must keep in mind in discussing the German problem today is the division of Germany. Germany at present is not one but three, and it can only lead to confusion when we speak of the integration of Germany into western Europe, for we do not mean the Germany of the frontiers of 1937, nor do we mean the truncated Germany which emerged from the Yalta and Potsdam agreements. We mean only the western zone of Germany. It is worth mentioning that what we call the eastern zone is geographically, politically, and militarily not the eastern zone at all but the central zone. The

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majority of the population of the so-called eastern zone lives west of the river Elbe, and about 50 per cent of the territory of the so-called eastern zone lies west of the river Elbe. The distance from the westernmost limits of the so-called eastern zone to the French frontier is about 130 miles. This is one of the fundamental facts which, as we shall see, determine the relations between the United States and the Soviet Union with regard to Germany.

The third fact is less easily recognized than the other two. It lies in the inevitability for us to look at Germany with our emotions, with our hearts rather than with our minds. Most of us cannot help remembering what has happened in Germany in recent times. But it is an error, and it is more than an error—it is a real calamity—to look, with the interests of the United States in mind, at Germany today moved by the remembrance of past atrocities. The individual can indulge in the luxury of such emotions; to cherish the memories of ancestors, friends, and teachers murdered by Germans can even be a sacred thing. But it is quite a different thing to allow one's self to be influenced by such memories and such sentiments in appraising the interests of the United States, and the policies which the United States should follow, with regard to Germany.

The policies of the United States with regard to Germany since the first World War have indeed been decisively influenced by emotions, sentiments, and utopian notions. It is only by a coincidence, which speaks for the good instincts of American statesmen rather than for their qualities of statesmanship, that they have followed by and large a course which was in harmony with American interests, without knowing any too clearly that this was so. We have conceived of the two wars which we fought against Germany essentially as two holy crusades engaged in by a good people against an evil one. It was our purpose to rid the world of the Kaiser, of the autocracies of Central Europe, of Hitler and the Nazis. It so happened that what was really at stake in those crusades was not at all the extirpation of evil for its own sake but the restoration of the balance of power in Europe. Without knowing it, we followed the course which had been charted by Washington, Hamilton, and Jefferson, a course



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which Great Britain had followed for more than four centuries. From the beginning of the Republic we have always regarded the dominance of Europe by one single power as a threat to the security of the United States, and, however sentimentality and utopianism may have distorted the stark facts of this power situation and of this power interest, we have pursued this interest under the guise of crusading ideologies.

Yet the influence of these ideologies, of that crusading spirit, has not been confined to the waging of war. For if you conceive of a war as a crusade of the good against the wicked, then you are unable to conceive in realistic terms of a political settlement to follow the war. With a political opponent who happens to threaten your political interests you can negotiate and compromise. With the personification of the devil himself you cannot negotiate. Instead, you must ask for his unconditional surrender; you must wipe the evil off the face of the earth. Thus the policy of unconditional surrender, which was actually a policy of thoughtlessness and of the least political resistance, was the outgrowth of that initial misconception which took a struggle for power for a holy crusade.

It followed from the conception of the two wars against Germany as crusades that the United States would approach the German problem after unconditional surrender again in moral rather than political terms. Our task was not, after unconditional surrender in 1945, to re-create a semblance of political equilibrium in Europe; our purpose was bound to be the moral reformation of those Germans who were capable of being reformed. In consequence, the process of denazification was instituted. Underlying it there was the idea that one could, through the medium of some superficial characteristics, objectively determine not only who was a Nazi and who was not but also to what degree one was a Nazi—a kind of, as it were, political zoölogy which, by counting the legs of the animal, determines the category to which it belongs. How absurd this idea was becomes fully obvious from the consideration of the fortunately hypothetical contingency that Hitler had won the second World War, had occupied the United States, and had instituted a program of de-democratization in the United States. He certainly

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would have had a hard time to define the different types of democrats—with a small *d*, of course—and to separate those who are not democrats at all from those who are.

The third consequence of this sentimental distortion of our interests with regard to Germany was the idea that the first as well as the second World War was really the last war, the war to end all wars. In other words, those were not ordinary wars fought by one power against another power for national interests; they were unselfish wars for the purpose of making an end to the business of international politics altogether and of ushering in a brave new world. This philosophy rose to heights of idealism and eloquence in Woodrow Wilson's pronouncements which disparaged a foreign policy inspired by egotism and promised that after the war nations would no longer be moved by calculations of power but be inspired by the common good. Cordell Hull, on his return from the Moscow Conference of 1943, voiced a similar expectation when he declared that the establishment of the United Nations would mean the end of power politics and usher in a new era of international collaboration.

If this is the conception with which one approaches during a war a political problem, such as that of Germany, it is inevitable that one becomes almost completely oblivious of the power realities which are likely to emerge when the war is ended. For since one starts with the assumption that power itself will lose its reality in the political sphere, that, so to speak, international politics itself will come to an end, there is no need to take precautions, there is no need to think ahead in terms of power. The only thing one needs to do is to win the war as thoroughly as possible and to create an international organization which more or less faithfully reflects, at least in the wording of its charter, the ideals by which one is inspired.

This American attitude with regard to the postwar settlement is in striking contrast to the policies pursued during the war by both Stalin and Churchill. Churchill and Stalin knew that there is no such thing as a war to end all wars, that salvation from the evil of power is not of this world, and that a wise statesman will think ahead and, while he is engaged in a power struggle with one nation, will anticipate the distribution of power which

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might occur when that nation lies prostrate at the feet of the victor. It is from this point of view that one must judge the strategic plan of Churchill to invade Europe not from the West but through the Balkans; for Churchill realized that, with the Soviet Union in the center of Europe, the evil of Germany in terms of power would simply be re-created and that a new threat to the balance of power in Europe would be engendered by the very destruction of the one which then faced the Western world. However one may judge the military feasibility of the Churchillian conception of the war strategy, there can be no doubt that it was politically sound.

The same disregard for power political considerations lies at the roots of the settlements of Yalta and Potsdam. The Western negotiators at Yalta, faced with the military fact of the domination of eastern Europe by the Soviet Union, tried somehow to eliminate that fact by paper promises and through the instrumentality of democratic elections to regain that foothold and that influence which they had lost on the battlefields. The depth of the disappointment which shook the statesmen of the Western world in the wake of the breakdown of the Yalta agreements is primarily a result of moral disenchantment. Germany was then regarded as the great menace to the peace and tranquillity of the world. Germany had been defeated. And now all of a sudden a new menace arises, and, if it were not for the faithlessness and obstructionism of Russians, the peace of the world would be forever assured. If those statesmen had conceived of the task of the postwar settlement in realistic rather than utopian terms, they could not have been disappointed at the rise of a new power trying to fill the vacuum left by the defeat of Germany. They would have anticipated it and would have taken measures to counter it. Thus it is less the malevolence of the Russians than the shortsightedness of the Western world which ought to be blamed for the debacle of Yalta.

The same observation is true to an even greater extent of the Potsdam Agreement. For one who has studied diplomacy, its rules and its art, it is difficult to conceive of a more amateurish and more incompetent agreement than that reached at Potsdam. There, for all practical purposes, the representatives of the

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West signed on the dotted line, granting what the Russians wanted and getting nothing in return.

Such are the antecedents, intellectual and political, of the problem of Germany, as it presents itself to us today in political terms. Germany has become, by virtue of those developments, both the battleground and the main stake in the cold war between the United States and the Soviet Union. For by virtue of that natural endowment of Germany to which I referred at the beginning, whichever nation is able to gain control of all Germany, of all the three Germanies, has gained such an advantage in the struggle for power that it may well have become invincible in a shooting war. It is for this reason that the Soviet Union must deny the United States the control of all Germany, and it is for this same reason that the United States must deny to the Soviet Union the control of all Germany.

If this is so, it no longer makes any sense, as it might have made in 1945 or 1946, to consider any particular German problem with which the United States is faced in isolation and on its own terms. For all the problems with which Germany faces us today are problems which receive their meaning and their importance from the conflict between the United States and the Soviet Union. When we speak of the integration of western Germany into western Europe, we no longer are concerned with Germany *per se*. What we are concerned about is only to increase our strength in the struggle with the Soviet Union and to deny the Russians the addition of German strength. The fundamental fact which makes it inevitable for us to engage in such policies, controlled primarily by military considerations, is the presence of the Russian army in the heart of Europe, 130 miles distant from the French frontier.

This is, it is granted, a less inspiring analysis of the nature of the conflict between East and West than the ideological interpretations, which repeat in a new terminology the same error which has frustrated our policies with regard to Germany twice in this century. Instead of looking at that conflict in terms of power, we tend to look at it again in terms of hostile ideologies and of a struggle between good and evil. I would be the last to deny the importance of the Bolshevik philosophy and policy of

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world revolution. But that philosophy has become a religious dogma, and, like all religious dogmas, it is invoked for purposes of rationalization and justification, even though it may not necessarily guide political action. In so far as world revolution today is a practical concern of the Soviet Union, it is obvious that world revolution has become an instrument for the attainment of the traditional power objectives of Russia. What confronts us, in other words, is an experience which the Western world has had before, especially when revolutionary France used the slogans of 1789 for the purpose of imperialistic expansion.

I have before me an excerpt from a literary work which illustrates, as it were, the traditional character of the problem of Germany viewed from the perspective of the conflict between the United States and the Soviet Union.

I cannot avoid beholding the Russian Empire as the natural enemy of the more western parts of Europe; as an enemy already possessed of great strength, and, from the nature of the government, every day threatening to become more powerful. This extensive empire, which, both in Europe and Asia, occupies almost a third of the whole world, was, about two centuries ago, divided into separate kingdoms and dukedoms, and from such a division consequently feeble. Since the times, however, of Johan Basilides, it has encreased [*sic*] in strength and extent; and those untrodden forests, those innumerable savage animals which formerly covered the face of the country, are now removed, and colonies of mankind planted in their room. A kingdom thus enjoying peace internally, possessed of an unbounded extent of dominion, and learning the military art at the expense of others abroad, must every day grow more powerful; and it is probable, we shall hear Russia, in future times, as formerly, called the *Officina Gentium*.

It was long the wish of Peter, their great monarch, to have a fort in some of the western parts of Europe; many of his schemes and treaties were directed to this end, but happily for Europe he failed in them all. A fort in the power of this people would be like the possession of a floodgate; and whenever ambition, interest, or necessity prompted, they might then be able to deluge the whole western world with a barbarous inundation.

This was not written yesterday or ten or fifty or a hundred years ago. It was written in 1762; the writer was Oliver Goldsmith.

If such is the nature of the East-West conflict, what ought the policy of the United States be with respect to Germany? The objective of American foreign policy in Europe must, of course, be the removal of the Russian armies from the center of Europe. There are only three ways in which this can be done. We can ac-

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cumulate on our side such a preponderance of power that we can dictate the terms of a settlement which would entail the retreat of the Russian armies. We can go to war. Or we can try, on the basis of a certain balance of power, to reach a negotiated settlement.

War, under the conditions of atomic warfare, has largely ceased to be an instrument of a rational foreign policy; for in a war in which both sides are armed with atomic weapons it makes little difference who wins. The end of such a war is more likely than not to be universal destruction.

Overwhelming power we no longer possess. President Truman's announcement of September 23, 1949, that an atomic explosion occurred in the Soviet Union has made an end to that preponderance of American power.

There only remains a negotiated settlement. This is indeed the objective of American foreign policy. Secretary of State Acheson has time and again declared that he is in favor of a negotiated settlement. He has added, however, the very important proviso that at present and in the immediate future no such settlement is possible. He has based this proviso upon the conception, which I deem to be entirely sound, that one cannot negotiate from weakness but only from strength. That is to say, a weak nation cannot negotiate successfully with a strong nation; only negotiations between two strong nations will safeguard the vital interests of either side. For no political settlement between two great powers is likely to last if it is not respected for the benefits both sides derive from it as well as for the fear lest the violator suffer reprisals from the powerful partner.

However admirably formulated and sound Acheson's statements are in theory, they appear less sound in practical application. For if we are resolved to wait indefinitely until we feel ready to negotiate with the Russians, we must be reasonably sure that time is on our side. That is to say, we must be reasonably sure that during that waiting period our strength will increase at a quicker pace than the strength of the Russians.

That same counsel of waiting for the right time when we will have acquired the right strength has in recent years been ad-

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vanced by the spokesmen for our foreign policy in defense of our unwillingness to negotiate now or in the foreseeable future. In 1947 or 1948, when the question of negotiations came up, it was always said that we had plenty of time, that the Russians would have the atomic bomb perhaps in 1955 or later, and that until then Europe would be strong enough to meet the Russian land armies on approximately equal terms. The policy of waiting has certainly been mistaken in the past. It has been most severely criticized by a man whose name is well known among us but whose criticism is virtually unknown on this side of the Atlantic. This man is Churchill. Churchill has time and again warned the Western world against waiting too long. In more than a score of speeches, hardly reported in this country, he has said that the time which is left for a peaceful settlement is short and that there is great danger in drift.

It appears that we still have a margin of time, and it appears also—and it has appeared to Churchill—that the time which is left to us for preserving peace through a negotiated settlement is identical with the time which the Russians will need to acquire a stockpile of atomic bombs. For when the Russians have acquired a stockpile of atomic bombs, there will be nothing in the strength of ourselves or of our allies which can deter the Russians from going to war, except the terror of atomic war itself. There is then much to be said for the policies agreed upon with regard to Germany in the London Conference of May, 1950, a conference which in a sense was really a war conference, a war council, debating ways and means to strengthen the West against the Soviet Union through closer partnership with western Germany.

With regard to Germany, the trend of Western policy is inevitably in favor of what is called "remilitarization." It is inevitably so for at least two reasons. The first of these reasons is again those natural endowments which make Germany either an indispensable ally or a dreaded enemy in the conflict between East and West. The second reason for the inevitability of this trend lies in the unwillingness of our government to call upon the American people to face all the implications of the cold war.

Instead of waging the cold war in earnest, instead of facing all

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the implications of the cold war, we have been hiding, and I think we are still hiding, behind a series of Maginot lines. The first Maginot line was the monopoly of the atomic bomb; by simply manufacturing atomic bombs it was believed that a cold war could successfully be waged against the greatest land power on earth, which was two hundred years ago already a threat to the peace and the tranquillity of the world. The second Maginot line was the Marshall Plan; it was deemed possible to buy peace and success in the cold war by giving dollars to Europe. The third Maginot line seems to be the remilitarization of Germany within a rearmed western Europe.

This is a self-defeating policy. At this time we are engaged in a war which is no less serious because it must not be conceived of primarily in ideological terms. It is a war as serious as the war in which Great Britain was engaged at the turn of the nineteenth century against Napoleon, and it bears, it may be added in passing, the same characteristics of an imperialistic war fought with the means of a revolutionary ideology.

In this contest of a life-and-death struggle between East and West, and as an effective instrument of waging it, the remilitarization of Germany is a mere illusion. It is an illusion for the very fact that Germany is no longer the mere object of the policies of other powers. With every day that passes Germany will become to an ever increasing extent the master of her own fate. Whether or not Germany will be remilitarized will in the last analysis be decided by Germany and by nobody else. If this is so, then it is worthy of note that what neither denazification nor re-education was able to accomplish the very life-experiences of the German people have accomplished. Demilitarization not only in physical fact but, more importantly, in intellectual and moral terms is in the Germany of today to a considerable degree an accomplished fact. It is perhaps the most revolutionary event of recent German history, an event which would have been inconceivable ten or twenty years ago, that pacifism is espoused in Germany in the name of German nationalism, that it is the organization of former professional officers which opposes remilitarization, and that the Bundestag, the West German parliament, passes unanimously a resolution opposing remilitarization.



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The experience of the war and, perhaps more importantly, the experience of the fall of the Nazi regime have wrought that change in the German mind. And, more particularly, the prospect of an atomic war fought on the prostrate body of Germany by the Soviet Union and the United States has strengthened the persuasiveness of the arguments derived from past experience. For Germany and in all probability for all western Europe, the choice in a war between East and West is not victory or defeat but pulverization either by the United States or by the Soviet Union—but pulverization it will be. And it is hardly more than a matter of taste whether one prefers to be pulverized by Russian Bolsheviks rather than by American democrats.

Those stark facts of past and probable future experience have transformed to a considerable degree the formerly militaristic mind of the German people. To what extent that transformation will last is, of course, a moot question. New experiences may bring new changes. But it would certainly be a self-defeating measure, even if it had chance to succeed, if we would impose upon an unwilling German people the militarization against which we allegedly fought two world wars. For even if we could re-create a German army, we would have no certain claims to its allegiance. Furthermore, the remilitarization of Germany is made problematic also by that traditional opposition to Germany on the part of the other European nations, that fear of a strong Germany to which I have referred at the beginning. A speaker in a recent debate in the House of Commons put it very nicely when he said that what we want to do is to make Germany so strong as to be able to frighten the Russians but not so strong as to make the French afraid!

It is quite another matter whether individual Germans ought not to be incorporated into one unified western European army, and in the speech from which I shall quote in a moment, Churchill has exactly made that distinction. He has not advocated, as was generally reported, rearmament of Germany as such, but he has advocated the use of German manpower for the purposes of the over-all defense of western Europe. The measures which the London Conference of May, 1950, has taken toward the restoration of German sovereignty and the integration of western

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Germany into the Western world are sound. But they are not enough. For, once they are being executed, we shall approach a point where an odd paradox will confront us with a new dilemma. This paradox lies in the fact that too much weakness vis-à-vis the Russians is fatal but that too much strength vis-à-vis the Russians may be fatal too—fatal to the cause of peace. If we should really be able to advance the military power of western Europe to such an extent that it would threaten the status quo in eastern Europe, east, let me say, of the present Polish-German frontier, there can be little doubt that the Russians would not stand idly by and watch such an eventuality come to pass. This again is not a matter of bolshevism but of the traditional policies of Russia. When Stalin said at Yalta that the control of Poland was for Russia not only a question of honor but a question of life and death, he said something which any czar could, and some czars actually, have said and acted upon.

There is then before the United States an infinitely subtle, delicate, and dangerous task. It is the task to make western Europe, and first of all the United States, strong enough to be able to negotiate with the Russians successfully, but not so strong as to frighten the Russians into a war. This is a problem which in its subtlety, in its difficulty, and in the risks which a false solution implies is unprecedented in the annals of American diplomacy. The easiest way to deal with it is to consider it as nothing but an incident in the cold war, that is to say, to consider it exclusively in military terms. The military terms in which it ought to be considered, too, must, however, be subordinated to the over-all problem of peace and war.

This problem, with regard to Germany and to the world situation as a whole, has been admirably formulated in a speech by which Winston Churchill on March 28, 1950, initiated the foreign-policy debate in the House of Commons. Churchill starts the discussion of the problem of Germany by welcoming Germany back into the family of nations and advocating the integration of western Germany into western Europe, and he continues:

I also felt, and feel, that we owe it to our consciences, all of us, that no door should be closed which may lead to better prospects. I do not, of course, take

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an over-sanguine view of the position whatever efforts are made, but it is our Christian duty to try our best. Moreover, the democracies of the West must be constantly convinced that those who lead them do not despair of peace if they are to take even the measures which self-preservation demands in case the worst should come to the worst. Let me repeat what I said at Edinburgh—only a few lines: "I cannot help coming back to this idea of another talk with Soviet Russia upon the highest level. The idea appeals to me of a supreme effort to bridge the gulf between the two worlds so that each can live their life, if not in friendship at least without the hatred of the cold war." I was answered by the Foreign Secretary that all this was a "stunt." Whatever this American college slang, as I find it is described in the dictionary, may have implied, it did not seem to me completely to dispose of the subject which had been raised. He also said that through the United Nations must be found our only process and resource. But three days later, on 17th February at a Press conference at Lake Success, Mr. Trygve Lie, the Secretary General of U.N.O. said he was in favor of Great Power negotiations.

Then Churchill quotes from that interview given by Mr. Lie, and continues:

But if there is a breathing space, if there is more time, as I feel and do not hesitate to say, it would be a grave mistake of a different order, perhaps a fatal mistake, to suppose that, even if you have this interlude, it will last for ever, or even last more than a few years. Time and patience, those powerful though not infallible solvents of human difficulties, are not necessarily on our side. When the last Parliament met, I mentioned four years as a period before any other Power but the United States would possess the atomic bomb. That period has already gone by, and our position is definitely worse than it was in this matter both as regards our own safety and as to the conditions which are, I believe, effectively preserving the peace of the world.

And Churchill concludes with these eloquent words:

Therefore, while I believe there is time for a further effort for a lasting and peaceful settlement, I cannot feel that it is necessarily a long time or that its passage will progressively improve our own security. Above all things, we must not fritter it away. For every reason, therefore, I earnestly hope that we shall hear from the Foreign Secretary a clear exposition of the facts and policy of His Majesty's Government upon matters graver than anything which human history records.

Man in this moment of his history has emerged in greater supremacy over the forces of nature than has ever been dreamed of before. He has it in his power to solve quite easily the problems of material existence. He has conquered the wild beasts, and he has even conquered the insects and the microbes. There lies before him, if he wishes, a golden age of peace and progress. All is in his hand. He has only to conquer his last and worst enemy—himself. With vision, faith and courage, it may still be within our power to win a crowning victory for all.

## GERMAN POLITICAL PARTIES

*By* GABRIEL A. ALMOND

THE confusion which has characterized much of the discussion of German politics has in part stemmed from ambiguities as to the criteria on which judgments are to be based. Perhaps most evaluations of political developments in Germany are influenced in varying proportions by the criteria of justice in the sense of retribution, democratization, and the "American interest" variously defined. Viewed from the point of view of justice, it is easy to see that nothing short of integral punishment could fully satisfy the need for retribution which many students of the German problem have felt and still to some extent continue to feel. It is perhaps a plausible inference that a part of the pessimism and slanting of the evidence arises out of an unsatisfied impulse for reprisal. The denial of the right to objectivity and scientific method is one of the few sanctions available to intellectuals in their special capacity as intellectuals. And perhaps all of us have been tempted to take advantage of this power to right wrongs through the suppression of intellectual integrity.

To proceed from the criterion of democracy in an unequivocal sense is a similarly futile and self-defeating approach. It is easy to forget that democracy is still in considerable measure a matter of aspiration rather than realization in the United States and that many of the phenomena criticized in Germany differ only in degree from comparable phenomena elsewhere on the Continent or here at home.

Indeed, the critics of German democracy proceed from a variety of democratic conceptions. There are the "basic democrats," who believe that all changes will be futile if there is no fundamental transformation of German primary institutions and the personality types produced by them. There are the "social democrats," who consider that all efforts at democratization will fail unless some form and degree of economic collectivism is insti-

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tuted. And, finally, there are the "formal democrats," those who are primarily concerned with political institutions—legislature, bureaucracies, and political parties. The great source of difficulty with the democratization approach is that it often proceeds without indicating how much and what kind of democracy must be achieved in order to contribute to what aims. There has been a certain tendency for some of those who take this position to stress the importance of their particular institutional sphere without considering how other policy values are thereby affected and for others to minimize or maximize the difficulties which attend external efforts to remold institutions and patterns of behavior. This has led to a kind of despair and hopeless rejection of the problem which need not have resulted had these values been placed in context and more modest expectations entertained.

In this discussion I propose to derive my criteria for the evaluation of German political developments from the general pattern of American foreign policy. I am not concerned with justice as such, or democracy as such, but with these and other values as they relate to the national interest currently defined in policy and action. I hasten to add that my selection of the "national interest" does not exhaust my ethical repertory, nor is the term "national interest" a synonym for nationalism. Its advantage lies in the fact that it places the problems of German politics within the complex of going policies and evaluates German politics from the point of view of their consistency with these policies. This approach, of course, leaves open the question as to whether the American cold-war policy is based on sound calculations as to the prospects of world politics.

It is abundantly evident that American foreign policy is not identical with such an aim as the "democratization of the world," nor is it identical with the "realization of justice in the world." Certainly these values are represented in the basic American value orientation underlying our foreign policy, but perhaps military security and economic and political stability in the present juncture of world politics are more compelling objectives in the sense that they constitute the basic conditions under which the survival of the American value complex depends.

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Two basic questions emerge when the German problem is placed in the perspective of American foreign policy aims in the western European area. First, does analysis of West German politics and political parties show any potentialities of a pro-Eastern orientation. Second, are there any significant political trends in Germany which threaten the stability and unity of the Western coalition. Put in the language of political parties, what are the prospects for (a) the emergence of a powerful Communist movement in western Germany, (b) a shift in the direction of an Eastern orientation on the part of non-Communist movements, and (c) the development of an expansionist and irredentist nationalist movement on such a scale as seriously to threaten the unity and security of the West.

### I. THE STRENGTH OF COMMUNISM

The strength of the Kommunistische Partei Deutschlands (KPD) in western Germany is a misleading indication of the Communist potential. There was indeed a significant drop in the number of Communist votes in the first elections under the Bonn constitution. But the West German KPD has an important cadre reservoir in eastern Germany as well as the strength that comes from the realization that they are already masters in a part of their own country. In addition, the KPD in the West has a strong *potential* appeal among the West German youth. It offers targets for the discharge of resentment and hostility, opportunities for action, a kind of moral and intellectual certainty, and occasions for sacrifice and devotion which may exercise an effective appeal to the extent that the actual conditions of life in the West are overshadowed by uncertainty, anxiety, hopelessness, and stalemate. This ability to renew their elites and to control the western organizations from a center of effective Soviet control confronts us with the prospect that the Communists will never lack trained aggressive personnel ready to exploit such opportunities for drawing mass support as arise. As a consequence, the decline in the electoral support of the KPD from 9.4 per cent to 5.6 per cent is relatively unimportant. It has to be remembered that the West German KPD has had to bear the

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burden of a sequence of negative policies on the part of the Soviet Union.

A change in the fortunes of the German Communist party may be associated with three contingencies. First, economic conditions in the eastern zone may improve, and it is not excluded that the Soviet Union may find it possible to make some adjustment in the German-Polish border which would have a favorable impact among the German population. Second, failure to deal adequately with the unemployment and refugee problems may result in improved opportunities for Communist recruitment. Third, a sharpening of military and political insecurity in the German area resulting from successful Russian aggressions or Western weaknesses may precipitate Eastern commitments among that large proportion of the German population which has thus far refused to declare itself in the struggle. To many Germans an all-important consideration is the avoidance of illusion and commitments based on hopes. These elements avoid and will continue to avoid explicit adherence to any political party or ideology until it is "safe" to do so. There is, consequently, a potential Communist band wagon which will continue to preserve its freedom of decision until such time as it becomes clear which way the security cards are stacked.

Unlike France and Italy, there is no mass Communist party in western Germany. There are obvious reasons for this difference. Germany has registered the negative impact of Soviet policy in intimate and direct ways on a far larger scale than is the case for the rest of western Europe. The analogue to Communist affiliation or voting in France and Italy is a certain part of the large-scale withholding of full adherence to the Western-oriented political parties.

### II. THE NON-COMMUNIST EASTERN ORIENTATION

While a part of the "withholders" may be counted as potential active Communists should events suggest the expediency of such a position, another part has hopes of a settlement with the East which will open up the possibility of regaining German prestige, power, or freedom of action. Such expectations as these are explicitly held at the moment only by small elite groups, but

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there is a much more widespread mood which is susceptible to this kind of appeal. This mood is fed not only by German nationalism but by impulses toward neutralization and withdrawal from struggle. In western Germany as in the rest of Continental western Europe the hope for disentanglement from East-West tension through neutralization, affiliation to a "Third Force," or the regaining of an independent national position exercises strong fascination.

The Nadolny-Hermes group and their recently organized Society for German Reunification holds out the hope of achieving unity through detaching Germany from its Western orientation, and negotiating with the East. The appeal of German unity obviously is a strong one. Evidence suggests that a substantial minority of West Germans would take unity at the cost of Communist control. The Nadolny group proposes that German unity can be attained without Communist control—that a solution is possible in which Germany can regain her unity and her freedom of action at the same time. Both Nadolny and Hermes are men of conservative reputation and influence. Their ties are with certain leading figures in the Christian Democratic Union and with conservative industrial groups.

While the Nadolny-Hermes point of view would appear to represent a hope that somehow the Rapallo trick might be turned again, the Nauheim Kreis, led by Ulrich Noack, favors the neutralization of Germany and her identification with a neutral group of states which would include Austria, Switzerland, and perhaps Finland. This would be preceded by the withdrawal of occupation troops and the reunification of Germany. While at an earlier time there was some possibility of a merger between these two groups, Hermes has specifically dissociated himself from Noack's position, opposing the neutralization of Germany, on the one hand, and her remilitarization, on the other. He specifically repudiated communism and Communist tendencies and excluded negotiations with Noack. This policy was indicated because of a widespread impression that Noack's attitude toward the Soviet Union was somewhat warmer than neutral.

Another group which has recently advocated a policy of neu-



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trality is the *Brüderschaft*, an association of former German officers led by a former Nazi, Alfred Franke-Grieksch. At the moment it appears to be looking for themes which will mobilize German resentment and frustration. In contrast to the conservative Nadolny-Hermes circle, this group manifests obvious Fascist tendencies. It is specifically antiparliamentarian and apparently is seeking support among the politically explosive refugee elements. It appears to have either a Nazi or a National Bolshevik potential, depending on which ideology attains the greater resonance and has the greater likelihood of gaining power.

The views of all these groups may become more important to the extent that the West fails to integrate Germany on terms satisfactory to her and to the extent that the Soviet Union offers tangible inducements. Such evidence as we have suggests that the great majority of the German population desires unity, independence, and the regaining of lost territories, but not at the cost of Communist control.

### III. THE REVIVAL OF GERMAN NATIONALISM

The prospect of a powerful West German Communist movement or of the emergence of a strong pro-Eastern orientation among non-Communist elements appears to be remote at the moment. Such political shifts could result only from a basic change in the political bargaining pattern, with the Soviet Union offering much either in effective threats or inducements, and the West offering little. On the other hand, the prospect of a further rise in German nationalism and irredentism which might upset the unity of the West has been represented as a lively and immediate danger. The calculations involved here are the following. The nationalism now increasingly manifested by the German mass parties, and even more threateningly by the newly formed right-wing authoritarian and Fascist movements, will exacerbate the security anxieties of the other Continental European countries and stand in the way of the achievement of economic and political stability and military security contemplated in the Marshall Plan, the North Atlantic Pact, and subsequent American foreign-policy initiatives.

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The evidence with regard to the revival of German nationalism and authoritarianism is impressive. As a consequence of the gradual relaxation of controls culminating in the elimination of the licensing of political parties and newspapers a whole series of nationalist, authoritarian, and even Nazi formations have come to the surface. In the 1949 elections these right-wing movements demonstrated substantial strength, accounting for more than 15 per cent of the total vote cast. At the same time there was a substantial drop in the relative strength of the center despite the efforts on the part of the Social Democratic and Christian Democratic movements to ride the nationalist wave.

While these developments are certainly disturbing, they were hardly unexpected. In the first years after the occupation it was widely recognized that traditional authoritarian and Nazi elements either had gone underground or had assumed protective colorations. It was taken for granted that some of the support of the mass center parties was temporary and that at the first opportunity these elements would gather around more congenial banners. In addition, the franchise has been regained by substantial numbers of former Nazis. Thus the 1949 election is capable of being interpreted, not as evidence of a rise in nationalist and authoritarian sentiment, but rather as an articulation of political points of view which had simply been in temporary hiding. Indeed, such quantitative evidence as we have does not support the proposition that there has been an increase in nationalist, racist, and antidemocratic sentiment among the general population. On the contrary, it is of considerable interest that along with the relaxation of controls and the increasing vehemence of German political expression there has been a moderate decline in some of the indexes of nationalism. Attitudes toward the American occupation are more favorable. There has been an improvement in attitudes on racial questions. And more Germans are ready to accept German responsibility for the last war. In other words, at the *same* time that nationalist, authoritarian, and Nazi cadres are reforming, there is evidence of a moderate decline in national resentment among the masses.

Again this should not be surprising—since a number of influences have been producing these overtly contradictory results.

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On the one hand, the cessation of political control reduces the need for protective coloration. This makes it possible for extreme nationalists and Nazis to raise their heads. On the other hand, this very act of relaxation of control, as well as the sequence of concessions to nationalist sentiment, and a more or less benevolent economic policy on the part of the occupation authorities has the effect of moderating resentment among the general population.

While this analysis is somewhat less depressing than some of the oversimplified journalistic interpretations of the German situation, it does not in any sense justify a mood of complacency. In lifting political controls, we have opened the field of political competition in Germany, to discover that traditional authoritarianism and right-wing radicalism still survive in virulent form. We are also aware of the fact that on a very large scale Germans are waiting to see how the winds of world politics shift before making enduring political commitments. In this sense these political parties of today are leaders in search of themes and followings. And there are circumstances under which radical nationalism might again acquire a dangerous strength.

The largest formation on the far right is the German Right party, a movement which is specifically Nazi, and which received just under half a million votes in the last election. This organization has a strong youth contingent, has popular strength among refugee groups, and has a leadership cadre which includes former Nazis and Wehrmacht officers. A recent split-off of this movement is reminiscent of the brown bolshevism of the early Nazi left wing. It shares this appeal with a number of groups—not formally organized as parties—which claim to represent the views of Otto Strasser.

The German party, which received just under a million votes in the last election, is more representative of traditional German authoritarianism and nationalism. A youth group associated with this movement combines an even stronger nationalism with demagogic anticapitalistic appeals and a readiness to go into the streets to beat up political opponents.

The Free Democratic party, which gained both absolutely

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and relatively in the 1949 election, is the party of the Protestant middle and upper class. It is capitalistic, anticlerical, and centralistic. In the course of the election campaign it joined forces with such extremist movements as the National Democratic party. As a consequence its parliamentary delegation is a mixture of liberals and conservative nationalists, with the latter predominating.

The two mass center parties, the Christian Democrats and the Social Democrats, have suffered comparative losses in strength in the course of the last two years. There has been a movement away from the CDU on the part of Protestant elements. The dominance of the right-wing CDU which successfully moved the party away from its earlier mildly welfare and collectivistic outlook has provoked sharp dissatisfaction among the Catholic left. It is on the whole likely that in the future the Catholic party will begin to look more and more like its Weimar manifestation. The general point, however, should not be overlooked that western Germany is substantially more of a Catholic country than Germany as a whole, so that any party which is able to gain the support of the Catholic population will play a greater role in western Germany than did the *Zentrum* in the Weimar Republic.

Despite its weaknesses, its internal tensions, and its dependence on the church for effective organization, the CDU has the potential of a moderate, republican movement of considerable size. It is capable of responding in a welfare direction under the pressure of an active left-wing Catholic leadership. While it may not be a democratic movement in the American or British sense of the term, it is certainly a European movement and can communicate ideologically with the other Catholic parties on the Continent.

The CDU, the Social Democratic party, and one or two smaller moderate movements, or wings of other parties, command a very substantial majority of the West German votes. It is a mistake to understress this fact and to overstress the extremes, as some of us do. If the moderate republican center is disunited and in conflict, the same is at least as true of the right. And I fail to follow the reasoning of those who argue that the

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trend will necessarily move in the direction of a rapid weakening of the center and strengthening or consolidation of the right. These possibilities are at least in part subject to our control, and only a rash pessimism can lead one to the view that the situation is foreclosed.

The Social Democratic party leadership appears to be making extraordinary efforts to avoid the errors it made in the Weimar Republic. As an opposition party it has been striving to differentiate itself from the governing coalition on the score of a greater concern for national interests and rights. It has taken this position without recognizing that there is little prospect indeed that it will win the adherence of conservative or radical right-wing nationalists. This policy has also tended to give to the governing coalition the political advantages resulting from Western concessions to German power and prestige. It has also tended to alienate the German Social Democratic party from the other socialist movements of western Europe. At the same time that the SPD has taken this foreign-policy position, it has also lost ground among the working classes. The Socialists can no longer rely upon a secure control of the labor movement. The leftist Catholics have developed a labor program which has somewhat clouded the claim of the Socialists that they are *the* party of the working class, and the labor movement has shown a capacity for independent action.

This weakening of the Social Democratic party is in part a consequence of the impoverishment of the socialist leadership. It is dominated by the survivors of the pre-Nazi socialist bureaucracy and has not been successful in recruiting new militants and moving them into leading positions. More specifically, the leadership of Schumacher appears to be a serious liability. Rigid, hysterical, and lacking in political prudence, he has permitted the CDU to monopolize the policy of reconciliation with the West while bargaining for advantages based on a moderate national assertiveness. This is a German foreign-policy line with strong support among those strata which normally respond to moderate socialist appeals.

As a consequence the Socialist party has gained nothing through its opposition role. If anything, it has lost prestige

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among both Germans and its friends abroad. Rather than offering a constructive and practical pro-Western foreign-policy program, it demonstrates, on the one hand, an unwillingness to make concessions to the security anxieties of peoples who have suffered at German hands and, on the other, a futile and obstructive insistence that European economic integration take a socialist form.

Those who are pessimistic about the lasting qualities of the West German center may profit from recalling how long the French "Third Force" has limped from crisis to crisis. The extreme left and extreme right in Germany are a good deal weaker than their French counterparts. There is a substantial republican potential in western Germany which may be somewhat strengthened by an energetic and imaginative Western policy. Such a policy would have to go far in the direction of recognizing German aspirations for equality of treatment and for an effective security system in which the risks of political choices would take on more acceptable proportions.

All these observations rest on the basic premise of a continued cold war. Within this framework the maximum expectations are for the gradual achievement of a somewhat improved physical security atmosphere in western Europe. If such an improvement should take place, and if, in addition, certain initiatives now being taken should broaden into a greater western European community than now obtains, a moderate German republicanism may achieve a greater measure of economic and political stability.

# THE LABOR MOVEMENT IN GERMANY

By FRANZ NEUMANN

IF YOU will look at the political map of Germany, there is one striking fact that distinguishes Germany from all other larger western European countries, and that is the existence of a powerful Social Democratic party and of a powerful trade-union federation. The unique character of western Germany consists in the fact, first, that the trade-union movement is unified in one organization of about five million members organized in sixteen affiliated organizations and, second, that within that unified organization the Communist influence is negligible. Communist functionaries within the organization are gradually being squeezed out. The returns of the elections to the works councils shows a gradual decline in Communist strength. Third, the Communist party as such, as has been indicated,<sup>1</sup> is exceedingly weak and is threatened by internal dissensions and continually weakened by purges and resignations from this organization. This makes the decisive difference between western Germany, on the one hand, and Italy and France, on the other, where the Socialist parties are practically nonexistent and where the allegiance of the workers is primarily to Communist-organized trade-unions rather than to "Third Force" trade-unions. There is equally little doubt that the bulk of German organized labor is committed to parliamentary democracy. This, I think, nobody will ever doubt and nobody has ever doubted.

Yet the problem is: What is this powerful organization to do? What are its aims, and how can this organization achieve whatever aims it has? It is here that the great problem really lies, and it may be that the strength exhibited by the Social Democratic party and by the trade-union federation is largely deceptive and does not adequately reflect the great dangers with which the labor movement is faced.

In an election analysis carried out by Dr. Kirchheimer and

1. See the chapter by Gabriel Almond in this volume, pp. 91-92.

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Dr. Price, published in the *Bulletin of the Department of State*, one remarkable fact emerges from the elections of 1949, namely, that the labor vote, if we compare the labor vote of 1949 and 1928, has remained stable. In 1928 the labor vote was a little over 35 per cent. In 1949 the labor vote again was a little over 35 per cent, the difference merely being that the share of the Social Democratic party in the labor vote has grown at the expense of the Communist party. It is exceedingly unlikely that, no matter what the political situation in Germany is, the Social Democratic party can substantially increase its vote and its control, primarily in view of the religious stratification of Germany and the tight control exercised by the Catholic political party over Catholic labor. Consequently, the Social Democratic party, in contrast to the British Labour party, must expect to remain a minority party for the near future, and consequently it will be able to carry out its policies solely in coalition with other parties.

The problem for the trade-unions was a problem of establishing a relationship with the existing political parties. Traditionally, as we know, the German trade-union organizations were affiliated with corresponding political parties. The new federation is, as they say, nonpolitical. By "nonpolitical" they do not mean that it abstains from politics, but they merely mean that the traditional connections between trade-unions and political parties are severed and that the trade-unions do not lend financial or other assistance to political parties. But it does not mean that the trade-unions expect to carry out their demands by industrial action alone. Clearly, this in any modern society is an impossible demand. The major problems of the German society and economy which have been previously stated<sup>2</sup> make it clearly impossible for any trade-union to expect that the demands of the German working classes can be satisfied by collective bargaining only. They can be fulfilled only by political action. And yet it is here that the problem lies.

After having cut off the relations with the existing political parties, the trade-union federation has by nature to rely on two

2. See the chapters in this volume by Daniel Margolies (pp. 51-57) and Walter Heller (pp. 58-75).



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major political parties, the Christian Democratic and the Social Democratic. This constellation, however, makes the pursuit of trade-union objectives exceedingly difficult. It is quite often said that within the Christian Democratic Union there exists a powerful left-wing group under the leadership of Prime Minister Karl Arnold and under the intellectual guidance of Dr. Hermann Joseph Schmidt, the "workers' priest." That may be so. But so far this so-called "left-wing" democratic group has not been able to do much, in view of the fact that the bureaucratic control exercised within the CDU by the Adenauer group is so tight that any opposition group has little chance of asserting itself. It is in view of this situation that the trade-unions have devised their program of codetermination. Let me first discuss this and then go back to the political front.

What does the codetermination program mean? During the Weimar Republic the free trade-unions, later followed by the Catholic trade-unions, devised a program of so-called "economic democracy." This program of economic democracy envisages a kind of semicorporate system under which the trade-unions per se should enter into public and private bodies on equal terms with the employer. These bodies should be presided over by neutral civil servants who, in case of dissent between the two organizations, should make the decision. The trade-union program of 1927-28 maintained that this would be the transitional form to socialism. They did not wholeheartedly identify themselves ideologically with a program of economic democracy and still maintained that the final goal would be socialism; economic democracy would be merely one transitional stage in the attainment of this goal.

In pursuit of this goal, trade-unions indeed became part and parcel of the administrative machine of the state. Their representatives were in labor courts, social insurance bodies, the national coal council, etc., without resigning their union position, thus maintaining a dual position of trade-union functionary and in some way official of the state. The question is whether this whole approach of transforming the trade-unions into semi-administrative bodies is beneficial to the interests of the working classes. What I say is a kind of self-criticism, because I am in

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part responsible for the 1928 program of the trade-unions and have drafted many of the laws which the trade-unions put through.

It has become increasingly doubtful to me if any program of codetermination is viable and desirable, and I have become more and more convinced that in reality the program, far from achieving anything, may actually destroy the little militancy that is left in the German labor movement. If we take the situation of July 20, 1932, the date of the von Papen coup d'état, the trade-unions did not resort to any political action against von Papen's coup d'état. Take the first months of January, 1933, and we see then the trade-union leadership negotiating with the National Socialist workers' organization, agreeing on a merger of all trade-unions in which the trade-unions would sever their connection with the Social Democratic party, exhorting the workers to celebrate Hitler's May Day and receiving in return the promise of being maintained in existence. Nobody in Germany ever mentions this agreement between the National Socialist workers' cell organization and the Socialist trade-unions, which is a forgotten incident.

From these two incidents it is clearly seen that in the two decisive events in Germany history the trade-unions did, first, not want to risk the existence of the organizations—the maintenance of the organizational integrity had become much more important than any larger political goals—and, second, the intertwining of trade-union and state bureaucracy had become so close that the trade-union functionaries did not want to risk their existence, their incomes, their prestige, and their social status by resorting to action which would necessarily threaten them.

The question is: "Is German society today so stable that, without risking their independence and militancy, the trade-unions could indeed enter into such a scheme which would actually transform through a codetermination program the trade-unions into administrative organizations of the state?" This I doubt. I have grave doubts that, first, German society is stable and, second, that the political power centers in German society are committed to democracy. The civil service, which in effect rules

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Germany today, is not Nazi, but it has no commitment to democracy and is likely to side with any group that proposes a stable and viable government not subject to parliamentary crises.

In view of this situation, the acceptance of the codetermination program would not change the locus of political power in Germany. It is difficult to believe that political or social power in Germany would be distributed between managerial groups and trade-unions and that the trade-unions would actually share in the exercise of social power and would become actual power centers. Codetermination may simply be a veil hiding the lack of militancy of the present trade-union organization.

Ideologically, this has led to a considerable confusion in Germany. Many of the trade-union members and many of the trade-union functionaries are violently opposed to the codetermination program. Of the score of trade-unionists whom I have interrogated in the last three or four months—they come in batches of ten and twelve to the United States—50 per cent at least are exceedingly skeptical and the minority is hostile to the very idea of codetermination. Yet codetermination has become the focal point for the simple reason that the trade-unions are now capable of presenting their program in terms of Karl Marx and of the papal encyclicals, and so Marxism and Catholic solidarism are presented side by side in a trade-union paper, the left page presenting codetermination as an implementation of the Marxist program and the right side presenting codetermination as the implementation of Catholic social philosophy. I would, therefore, for practical purposes write off the whole codetermination program, hoping strongly that it will not materialize.

The Social Democratic party, however, is now faced with an exceedingly difficult position. To some degree the separation between trade-unions and the Social Democratic party may be beneficial for the Social Democratic party, although this beneficial aspect of the separation of trade-unions and the Social Democratic party has not yet become apparent. The Social Democratic party shares with all other Social Democratic parties in western Europe the problem of being faced with a stalemate.

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If we look at the development of European social democracy, we will be struck by the fact that Social Democratic parties succeeded either in England, with its still considerable imperial resources, or in the Scandinavian countries, which ever since about 1815 had abdicated their role in power politics altogether; particularly the Swedish decision to abstain from power politics has led to making the Social Democratic middle way a viable solution of the domestic problems. In all other European countries, however, which still play or attempt to play a role in power politics, no Social Democratic party has been successful and perhaps cannot be successful.

The second element in the defeat of social democracy is naturally the rise of bolshevism. Many believed for many years that social democracy and bolshevism were twins; they would agree on the aims, but they would differ only in regard to methods. This, of course, is nonsense. The differences between social democracy and communism are probably deeper than the differences between social democracy and the so-called "bourgeois" political parties. The Social Democratic parties are democratic parties pure and simple. I read the other day the correspondence between the executive committee of the German Social Democratic party and the executive committee of the Independent Social Democratic party of November 9, 1918—one day after the outbreak of the revolution. In this correspondence it becomes clear that the German Social Democratic party refused even to consider the demand of the Independent Social Democratic party to impose socialism by dictatorial means, delaying its decision, refusing to commit itself, and hoping that a parliamentary majority would give its socialist demand a parliamentary basis. It is safe to say that the Social Democratic parties are democratic labor parties and nothing else. But since communism and social democracy compete, particularly in Germany and in Italy, for the same social stratum, the policy and ideology of the Social Democratic party does not quite express what its true nature is.

Third, the decline of militancy of social democracy in Europe is due to the ascendancy of trade-unions. This, I think, is quite clear from the historical record. The original conception of Las-

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salle was to make the trade-unions simply an agency of the Social Democratic party. This, of course, was a utopian scheme. Then there emerged the so-called "two-pillar theory" in which social democracy and trade-unions would march side by side as separate organizations, joined together by an alliance, and pursue some kind of Socialist goal. This two-pillar doctrine, however, broke down. The trade-unions gradually gained the ascendancy in the Social Democratic party. This is most strikingly demonstrated in Germany by the parliamentary crisis of March, 1930, when the government broke in view of the demands of the trade-union leadership for enlargement of the unemployment insurance fund. Now a situation has been attained where the Social Democratic party again is fairly free, or may be fairly free

Yet the Social Democratic party, although more or less free or able to be free itself from trade-union control, is operating still in a setting in which Germany will, and necessarily intends to, restore herself to the position of a great power. All German politics since 1918 and particularly Social Democratic politics since 1918 have been oriented toward this goal. The Social Democratic party, like all other parties, aimed and fought for the restoration of Germany as a great power. This does not mean necessarily an imperialist and aggressive power, but it does mean complete political equality, the restoration of the historic frontiers, and internal solidarity. If we go through Social Democratic history as revealed particularly in the books by Otto Braun and Frederic Stampfer, the editor of the official newspaper of the Social Democratic party, we find that both of these authors are concerned only with one problem, namely, to defend the Social Democratic party against the reproach of not having been national enough; and critics of both books maintain that the two books do not quite adequately show how really national the Social Democratic party is. This is a kind of trauma of the Social Democratic party. This is the consequence of the very long German tradition in which the right-wing parties successfully claimed to present national interests alone to the exclusion of everybody else. It is against this claim that the German Social Democratic party fights. It is this attitude of

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restoring Germany to power which perverts Social Democratic policy and diverts it from its true function of contributing to a democratic solution of Germany's problems. The attitude toward frontiers, the attitude toward the Saar, the attitude toward the Council of Europe, the attitude toward the international Ruhr authority—all are logical and understandable if seen in this framework.

This policy is helped by the extreme ambiguity of American foreign policy, particularly in regard to the frontier settlement. The ambiguity of American policy leaves enormous room for the growth of German irredentism. The Social Democratic party, in making itself the spokesman of these irredentist claims, hopes to catch the nationalist sentiments and to make itself the most powerful nationalist party in Germany. It may fail in this as it failed before. The beneficiaries of the nationalist appeals may become those to whom nationalism is more than the restoration of Germany's integrity and equality.

Consequently, in view of this and in view of the cold war, in which Germany appears as a much-sought-for ally for each of the two power groups, it is, in my view, difficult to expect a viable Socialist and trade-union movement in Germany, although, as long as occupation controls do exist, I do not believe that the present situation in Germany will be jeopardized.

# ANTIDEMOCRATIC POPULAR MOVEMENTS

By HERBERT MARCUSE

THERE are no antidemocratic popular movements in Germany today. By virtue of the occupation, democracy is the only form of political life permitted, and the occupation controls are still strong enough to prevent the rise of any antidemocratic popular movement. Everybody and everything is democratic in Germany today; even the Communists have adopted a democratic minimum program that could be attained within the framework of democratic institutions.

Now there are, of course, very few clandestine antidemocratic groups. The most conspicuous one has already been mentioned,<sup>1</sup> the so-called *Brüderschaft*, or "Brotherhood," consisting chiefly of former high Nazi officials, Wehrmacht officers, etc. It is a very small group, without any popular influence, and its prospects are probably at least for the time being utterly negative. There are similar groups that are, under present conditions, of no importance.

Obviously, such a nice picture cannot be quite true, and under this democratic surface there must be something else, so I will have to reformulate the question and shall begin my discussion by asking: What groups in Germany would be willing and capable of discarding democratic forms and institutions if and when the latter stand in the way of their vital political and economic interests? And by "democratic institutions," I mean democratic institutions in our Western sense, chiefly parliamentarism, representative government, civil rights, and free trade-union organizations. Which are the potentially antidemocratic groups in the light of this reformulated topic?

First of all, of course, we will have to say a few words about the Communists. The Communist party in western Germany is still a workers' party, thereby sharply distinguished, by the

1. See the chapter by Gabriel Almond in this volume, p. 94.

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way, from the Communist party in eastern Germany, which is a catch-all party comprising a very large sector of nonwage-earners, of managers, even of businessmen, of civil servants, etc. Now, the western Communist party has considerably declined. Again I do not want to bother you with figures; let me only recall that its voting strengths declined from about 15.6 per cent in 1932 to 5.7 per cent in the last elections and that the membership by now is probably not higher than about 150,000 in all western Germany.

This again is not a very real figure; neither the voting strength nor the membership figure is actually a sufficient criterion for Communist strength, because we have seen that in emergency situations the Communist strength is vitally affected by other groups outside the rank and file and the regular voters which the party can attract to its program in such an emergency situation. More serious than the decline in membership and voting strength is, first, the decline in the key positions of the labor movement itself. The Communists are by now almost entirely out of the key positions in the trade-unions and have lost most of their influence in the works councils. Moreover, there are serious dissensions within the Communist ranks. All these dissensions are now summarized under the head of "Titoism," which is, of course, mere nonsense, because the dissenting Communist functionaries and workers do not care a fig about Tito. We may assume that most of the discord and dissension stems from the present National Front policy of the Communist party and from the complete identification of the party with the U.S.S.R. and with Soviet policy. In western Germany the party still relies, or at least up to a short time ago has relied, on pre-1933 functionaries who resented more and more the increasing subordination of the class-struggle theme to the theme of "national liberation," and the party is just now in the process of either weeding out these dissenting functionaries altogether or at least putting them into positions in which they cannot do any harm. Therefore, in view of the decline in the labor movement, dissent in its own ranks, and the unpopularity of the party's identification with Soviet policy, the Communist prospects in Germany are negative for quite some time to come.



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Now the second group which is willing and capable of discarding the present democratic forms and institutions has already been mentioned also. It is the vast army of expellees, refugees, unemployed, and of impoverished middle-class elements in western Germany. It has been pointed out that this is by no means a homogeneous group. It consists of the most divergent elements with the most divergent and even conflicting interests. Such a group does not organize itself and does not give itself direction and political orientation by virtue of its own power. It needs and depends on organization and orientation from outside. Now the groups which traditionally in recent German history have been interested in supporting directly or indirectly antidemocratic movements are chiefly the old Prussian landed aristocracy; second, the army command; and, third, certain groups among the West German industrialists. Of these groups, the first, the landed aristocracy, for all practical purposes does not exist any more. The land reform in the eastern zone has destroyed the economic basis of this group, and its West German counterpart is not strong enough to play a similar role. As far as the second group is concerned, the army high command, it does not exist any more either, although the nuclei are still present, and we will have to discuss them later on. The third remaining group, certain elements among the German industrialists, is at present committed to democratic forms and institutions for the simple reason that the Adenauer government to a great extent promotes their interests and they have not much reason to fight this government and the policy it stands for, especially the decidedly antisocialist trend of the Adenauer government, its fight against the occupation controls, especially the Ruhr Authority, and its strong nationalistic sentiment. Moreover and more important, these industrialist groups know very well that they depend on Western aid, and we may assume that, as long as they do depend on Western aid, they will not risk any break with the Western democracies.

In view of these facts, we would have to come to the conclusion that the prospects for antidemocratic popular movements in Germany are negative. But there remains the specter of a juncture of the first and second group, namely, a juncture be-

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tween Communist and rightist conservative and militaristic forces. This problem has already been indicated, and all I have to do is try to focus it on the main issues, namely, the reunification of Germany and the alliance with the U.S.S.R. in order to obtain this reunification.

This famous alliance between right and left, between Communists and conservative militaristic forces, exists in German history in two different forms. First, there was the so-called "National Bolshevik" alliance of the middle and late twenties. This movement has been largely overadvertised, since actually it has never been more than a more or less vain attempt on the part of the Communists to win support from among rightist circles. The alliance was based on a compromise according to which the rightists were supposed to accept social revolution in exchange for Communist and Soviet help in the so-called "struggle for national liberation," that is to say, the complete abrogation of the results of the Treaty of Versailles and the restoration of Germany to a world power. Nothing came of National Bolshevism in the twenties, and today it has even less appeal, for the simple reason that there is no Bolshevik party in Germany and that the Communists in Germany have already completely subordinated the social revolution theme to the national liberation theme.

However, whereas there is little prospect for a revival of National Bolshevism, at least the possibility must be considered that certain elements on the right may conclude what we may call a diplomatic or economic or, at a future date, even military alliance with the U.S.S.R., in order to achieve the reunification of Germany and to restore Germany as a Central European and perhaps even western European Continental power. No matter how we imagine this unification to be, it is quite clear that it is no longer a German problem, or even not at all a German problem; that it depends in its entirety on an agreement between the West and the East, an agreement on an international scale.

This being the case, it is not surprising that German forces should try to seek an international alliance in order to solve the problem or at least bring it closer to its solution. Again, the prospects for such an alliance right now are negative. The vari-

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ous pro-Eastern groups in western Germany, like the Nadolny group and the Hermes group, have been vastly overadvertised. Their influence is almost negligible. Far more important are the official and unofficial attempts, again on the part of certain industrial groups, to come to an economic arrangement with the East, especially, of course, in view of the eastern markets. But here, too, the controls have been effective and efficient enough to prevent any such development on a larger scale.

This is the point where we have to engage in a little speculation for the future. Naturally we cannot assume that conditions will remain as they are now, and we have to ask: If the pro-Eastern forces, the forces making for an alliance with the U.S.S.R. in Germany, should become stronger, will the German political and social structure be stable enough to withstand and counteract such a development? In order to discuss this prospect, we have of course to assume, in the first place, a deteriorating economic situation. If conditions are as they are now, or even improved, there is not the slightest chance for such a development. Only in a seriously deteriorating economic situation in the West, while at the same time the integration and industrialization of the Eastern orbit progress, only in such a situation can we imagine an increase in the Eastern orientation. Now, if this should happen, is the structure of western Germany as it is established now stable enough and strong enough to withstand such a development which will naturally in all its aspects be an antidemocratic development, since it would have to discard almost all the existing Western democratic forms and institutions in order to make this alliance work?

We can characterize the present structure of western Germany, and we have already done so, as a highly artificial one. There is no doubt that the present picture has little resemblance to the actual social and political forces. This Germany, governed by conservative and moderate parties, is certainly not in harmony with the objective conditions. This Germany is almost in her entirety created and maintained by the occupation and by the East-West conflict. The objective conditions in Germany today clearly do not make for a more or less complete restoration and functioning of a free economy, for the abolition of all

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government controls, for an almost too peaceful and therefore suspicious co-operation among all the decisive social forces, for a Communist party which is negligible, and for neo-Nazi militaristic parties which are almost equally negligible. If the present German society were left to its own devices, we may assume that the present middle-class parties by themselves would not be strong enough to withstand increasing radicalization. We may also assume that in this case the Social Democratic party, for the reasons already outlined, may lose a large part of its working-class approach.

I do not want to answer the question whether the society which thus emerges would be capable of counteracting a pro-Eastern development. I would like to say only a few words, again for discussion's sake, on the artificial character of this society which seems to me an important issue. The stabilization or quasi-stabilization of present western Germany is due to the occupation, and this society rests, as has been pointed out, on a highly artificial economy—an economy which is in its most vital segments dependent on foreign aid. This, of course, makes it artificial. But I would like to ask the question whether a system that has been artificially created but is being maintained as a going concern, whether such an "artificial" system does not become a normal system. Or, if we want to formulate it in different terms, whether our concept of "artificial" is not a nineteenth-century concept and presupposes nineteenth-century conditions which just do not exist any more in present-day Europe, and that if we discard these nineteenth-century conceptions, whether we will not also have to discard the assumption that this is an artificial society and come to quite a different evaluation.

# THE BONN CONSTITUTION AND ITS GOVERNMENT

*By* HANS SIMONS

THE West German constitution was developed primarily as a consequence of the conflict between the United States and the other Western powers, on the one side, and the Soviet Union, on the other, and not primarily in order to please the Germans or do something good for the Germans. It seems to me that this viewpoint has been rather disregarded in our recent discussions. Both on the historic record and as a matter of sound policy it seems to me preferable first to look at the West German constitution in terms of: "Does it serve our purposes?" and only afterward to ask: "Does it serve purposes of German internal policies and German recovery?"

It is a constitution, as is the eastern German constitution, made primarily for international purposes, and to that extent I think it has a rather unique place in the history of constitution-making. It was done in order to provide a partner for the western European integration, a better-equipped situation for Marshall aid, and primarily in order to strengthen a friction point which could not be left soft any longer. These, I think, are the primary Allied objectives, and the constitution has to be seen in their light first.

In order to explain the procedure, I would like to use a simile, and I mean it seriously. What we did was license the Germans to produce a weapon at home with their home facilities. We did not permit them the atom bomb of revolution, nor did we give them an automatic weapon like the eastern German constitution. We permitted them a good old-fashioned gun with a safety catch attached to it. The matter was relatively easy, because on the primary qualities of such a gun there was general agreement. We did not need any particular blueprints. We and the Ger-

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mans agreed that their constitution ought to be democratic, and rather than go into any long-winded definitions of democracy I would like to say that there is an official definition of democracy on which the Western Allies agreed and which they stated to the Soviet Union at the Moscow Conference of Foreign Ministers. Germany should be a democratic state in the sense that, first, all political power is recognized as originating with the people and subject to their control; second, the people have the opportunity to exercise that control through popular elections held at frequent intervals; third, elections are conducted under conditions in which freely competing parties submit their programs and candidates to the vote of the people at frequent intervals; fourth, political parties are voluntary associations of people; fifth, the basic rights of the individual, including free speech, freedom of religion, of assembly, and of association, and other equally basic rights of man, are recognized and guaranteed; and, sixth, individuals are protected from arbitrary arrest, search, and seizure and are guaranteed equality under the law. That is our definition of democracy. You will notice that the so-called "modern rights" are eliminated. It might have sounded hollow at the time of the Moscow conference to speak of the well-being of individuals and other elements of democracy.

Then there was general agreement that the constitution ought to be federal, and here again we have a definition, a very insufficient one, in the London agreements. It should provide adequate authority for the federal government and safeguard the rights of the participating *Länder*. Finally, there was agreement on individual rights and freedoms. As a matter of fact, that was a real and basic concern of the Germans. We made a few additional requirements in a second London agreement, the so-called "letter of advice" which we did not give to the Germans when they started writing their constitution but later. That was one of the major blunders of our policy. In that letter of advice we specified, furthermore, that there should be clearly defined powers of the executive and that emergency powers, if any, should be subject to either legislative or judicial review. Second, that there should be only limited powers of the federal

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government, clearly stated in the constitution. And here we ran into a difficulty. The theoretical convictions of our constitutional experts got the better of the political needs. We knew very well that what we needed was a strong federal government, and yet we insisted on weakening it by reducing as much as possible its powers. And, third, that there should be an independent judiciary. Here of course not only did the traditional German and the American concepts of an independent judiciary clash, but also our and the British concepts of an independent judiciary could not easily be brought into line. We failed on the third dismally, and on the second I will have to say more later.

No draftsman can refrain from adding some embellishments to his blueprints, and that is what we did. A part of the story of the constitution-making is a description of the draftsman's delight in doing more than is necessary. So we started saying something about the limitation of the federal administrative agencies, completely overlooking the fact that one of the basic weaknesses of federalism in Germany is just that the *Länder* are primarily the reformers of federal functions and that therefore the authority of the *Länder* is subject not only to the parliamentary control within the *Länder* but also to orders and decrees of the federal government, a fact which really emasculates the political authority of the *Länder*. I think that it is one of the basic causes for the innate weakness of the concept of federalism in Germany.

We also wanted very specific conditions met as far as the financial powers of the federal government are concerned, both the kind of taxes it should be free to levy, the administration of these taxes, and particularly the question of any so-called "finance equalization," a balance between the tax resources of poor and well-to-do *Länder*.

In addition, we wanted the federal government not to have any police powers, if possible. And again we ran smack into the needs of the political situation, because we wanted the federal government at the same time to be responsible for occupation costs, which formed a very large part of the expenditures, and we wanted it to be responsible for so-called "war-induced burdens," and we cannot have a federal government responsible for

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these two voluminous outlays without giving it very considerable financial power. We wanted the federal government to protect all its borders; and, in order to have control of traffic, both of goods and people, the federal government had to establish a border police.

And, finally, we wanted something done about the civil service. That has been discussed before, and I will pass it over.

On all these objectives we were still more dismally defeated because the political facts were stronger than the draftsman's delight, and we had to make concessions because down in our bones we knew that what we needed was different from what we thought we ought to have on principle.

This explains the Allied interventions in the constitution-making process. They were few and far between and certainly far less significant than public opinion both in Germany and abroad has been made to assume. There was, of course, permanent contact between the Germans and the Allies during the constitution-making process, but that contact was unco-ordinated. Each liaison office tried to sell the view of its particular government, and the Germans quickly became wise to it and tried to exploit it. As a matter of fact, there was an interaction. On the one hand, we tried to impress those parties we felt were more accessible to our viewpoints, and, on the other hand, as soon as a German party found out its particular viewpoint was more acceptable to an Allied government, it tried to exploit the Allied government for its purposes. It was a very interesting game. On the whole, I think the two sides canceled each other out. We interfered on the financial powers, we interfered on the powers of the federal government to legislate, and we tried to interfere on the status of civil servants. I am sorry I cannot tell the story of these individual interventions. Suffice it to say here that all of them were practically unsuccessful, with one exception. After having tried to convince the Germans through the mouth of the liaison officers, after having tried to impress them through the much more powerful mouth of the generals, it became necessary to give them something so concrete, so definite, and so clearly in writing that in a memorandum of March, 1949, after the main committee was through the constitution-



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writing process, we took it upon ourselves to rewrite certain parts of the proposed German constitution, which I think was the second major blunder in our tactics.

This created a period of confusion, a stalemate, and inter-party struggles. It ended with the Germans feeling that they could not get a final answer from anyone on the scene, and so they insisted that they ought to hear something from higher quarters. We, in our own confusion, and particularly the disagreement between the State and War departments on the American side, contributed to that German attitude, but it served their purposes because they did succeed in making the foreign ministers meet on the German problem and address directly the parliamentary council; and, quite aside from the contents of the three "notes" which the foreign ministers addressed to the parliamentary council, the mere fact that this little group of Germans was in direct intercourse with the foreign ministers of the three victorious powers was more gratifying to the Germans than any contents could possibly have been.

What actually happened, then, was that the foreign ministers in the critical period took three actions. First, they sent a really friendly letter of advice to the Germans, and the Germans, who through twelve years of National Socialism had been used to being spoken to rather strongly and who had developed, I think, sort of scars on their eardrums and could not listen to any refined or subtle diplomatic language, just overlooked completely that communication. So they got a second note three days later which consisted of promises plus an occupation statute considerably reduced from the original draft. The occupation statute was pleasing to them, since they had expected worse. The promises, which spoke of reintegrating Germany into the family of western Europe, were still more agreeable. Still they did not move fast, though they started moving. And then the foreign ministers wrote a third note, which, however, they permitted the military governors to keep in the drawer. This note conceded to the Germans some of their points, particularly in the distribution of legislative power between the federation and the *Länder*, in the extent of taxing power of the federation and in finance equalization. Two of these points were

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strictly against both our theoretical convictions and what we thought was practically wise, and the three military governors, or at least two of them, felt that this letter ought to be kept and, if possible, not delivered. There arose finally a disagreement between the people on the spot and the people in Washington on whether these last concessions were or were not needed. Again I do not have time to go into any details. I am satisfied that they were completely unnecessary. However, on April 22 the three military governors were ordered to deliver this note of concessions—and that did the trick. It convinced the Germans for good that the way of dealing with the occupation powers is to procrastinate, to evade, and almost to challenge, and that ultimately, because of the disagreement among them and their need of German co-operation, the Germans will get what they want. That was the third, and by far the largest and, I think, a historic, blunder in our tactics in dealing with the Germans in this constitution-making process.

I would like to add that these three notes of the foreign ministers were addressed to three different recipients. The first, the hortative letter, was meant to strengthen the position of the Christian Democratic Union. It did to an extent. The second, with the occupation statute and the promises, was meant to encourage all of them. The third was an outright concession to the Social Democratic party in its particular position, and it had rather far-reaching results.

In this connection I ought to mention the differences of opinion among the Allies. Again I have to telescope everything into oversimplifications, but it is important to realize that this constitution-making process in Germany developed while we were talking to the Soviets first in Moscow and then in the Security Council. The Germans knew something about it, though not too much, and of course the Allies knew, and both sides were very eager to find out what would be the ultimate outcome of those negotiations. The French, who were not too fond of the whole western German development anyway and really afraid of its outcome, were equally if not more afraid of in any way provoking the Soviets, and therefore they tried to postpone this development as best they could, and they did

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pretty well. The British were just doubtful and certainly did not want to find themselves exposed to any particularly dangerous position in their relations with the Soviet Union because of the policy of their Anglo-Saxon brethren across the ocean. All three occupying powers felt differently about the extent to which a German government was to be wished for and was to be developed. The British certainly wanted a Germany controllable within Europe. The French never really wanted even a western united Germany until very late in the development, and only the Americans, being somewhat farther away, were really for it because they were far less concerned with the implied dangers of it. That reflected on certain concrete positions. Perhaps I can best describe that by remembering the situation at the first meeting between the military governors and the ministers-president, where one general was supposed to report on the occupation statute, one general on the constitutional development, and one general on the territorial reorganization. It was a matter of protocol which could not be settled on precedent, and so finally the generals drew the lot, and according to the lot it was General Koenig who reported on the occupation statute. He did not want the whole business, and, while the occupation statute was not so bad, he put into his voice a sternness and coolness which could be matched, I think, only by Clemenceau's famous speech at the peace conference of Versailles, and, without paying any attention to the contents, the Germans were completely chilled. General Robertson drew the lot for the territorial reorganization. There was nothing he could care less about than territorial reorganization. The British did not want it, for they wished to stay in the Ruhr, and that was the key position for any possible territorial reorganization. If they did not want to move, nothing could move—and that is what happened. So he expressed his attitude on the territorial reorganization by a disdain and detachment which I think only a British accent can possibly express. Only General Clay was in a position to identify himself with his proposals, because he had the paper on the constitutional development, with which he happened to agree.

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Territorial reform brings up the basic question: What do we understand by federalism? To what extent does federalism in Germany depend on a territorial reorganization? There are no real *Länder* in Germany today. Except for Bavaria, which prides itself on a thousand years of national history, there is no land in the proper meaning of the word, because every territorial entity in western Germany is artificially created. Though these areas are now beginning to develop some sort of "state consciousness" and "state feeling," there is no geographical, tangible basis for federalism, and to that extent at least federalism in Germany today is fictitious.

As a result of all our interventions, there are in the German constitution only five articles of which I think anybody can say fairly that they were due primarily to Allied wishes. For the rest the document is really homemade. Again I will forego the temptation of quoting these articles, interesting though it would be, because of limitations of space.

Let me sum up what we got. We got in the constitution, of course, far more than those five articles. We got, first of all, a conservative governmental setup and a politically conservative government, and that happens to fit our present pattern. I am not passing any value judgments. We are working today with conservative forces on a generally conservative course, and the present German government fits perfectly into this. Second, we got a Christian government—and I mean it. Again that is no value judgment; I do not overemphasize the fact, but, on the other hand, I think it is just not being realistic if we blind ourselves to the fact that the Germans are Christian to the extent to which they react against the paganism of the previous regime. Quite a number of the phenomena in Germany today are primarily reactions to the past and simply do not fit into the ready-made concepts of class relations, and so on, to which I think we have paid a little bit too much attention in the preceding papers. Third, we got a free-enterprise society, and that also fits into our pattern. We got it almost with a vengeance, but we got it. And, fourth—and again I mean what I am saying—we got an antitotalitarian government. Forget about authoritarian, forget about democratic, there is a common denominator: the par-

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ties in control of Germany today and even some of those who are not in control are united in a very strong antitotalitarianism.

If we see it in that light, just imagine for a moment how embarrassed the Western Allies would be today if the Social Democrats had made the race. In fact, they did not want to; I am satisfied that, even if the Social Democrats had gotten the plurality, they would have found a possibility of staying out of the government. Furthermore, we got a strong government, far stronger than we originally intended. It also meets our needs, because we need a strong German government, first of all, in order to provide the necessary cohesion in the face of the disruptive influences of three zones of occupation; and do not make a mistake about it, the Germans are in an extraordinarily strong position because they have one government while they are dealing with three. Second, we got a government which is all set to act against communism. That goes into the details of the constitution. And, third, we got a government which is as stable as any gadgets and tricks of constitution-making could possibly make it. And that also is certainly in our interest.

If we turn to the German viewpoint and to the German interests in the situation, I have to change my figure of speech. From the German viewpoint the birth of the constitution was the result of an artificial insemination, a cesarean operation, and in between the fruit was borne safely and inaccessibly in the womb of German tradition. It is a very real baby, with all the legislative powers which influence the life of the individual in Germany, with all the administrative power which goes right into the individual German's home, and with power to make policy decisions of far-reaching significance.

On the German side there were several issues which are worth mentioning. The first was the conflict between the established representatives of Germany, namely, the ministers-president, whom we regarded as the only democratically established authorities, and through whom we worked, and the German parties, which were a far more significant political reality and through whom the Germans wanted to work. On the German side the whole constitution-making process was a tug-of-war between the ministers-president, who represented an authority

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of function and position, and the parties, which presented their claim for the future. It was to an extent also a conflict between the SPD, the Social Democrats, and the Christian Democrats, because the Social Democrats wanted power for the future popularly elected parliament and therefore not for the ministers-president, while the Christian Democrats wanted at least some authority in the upper house, the *Länder* chamber, and therefore favored the ministers-president. In the actual lineup there were five Social Democratic ministers-president who had to toe the party line and five Christian Democratic ministers-president who were not free to move any more, and there was one lonely Democrat who fulfilled the functions which the Democrats filled through the whole process, namely, trying carefully to shift his weight to the side which he expected to be winning. The person of the president—of the West German Federal Republic today—is significant, not because of the deal which preceded it, but as an expression of a historic situation, because the Democratic party was the one party which succeeded in presenting itself as a broker without ever committing itself to a real philosophy of politics or economics. It did so only very late in the election campaign, and even then it was composed of such heterogeneous elements that it seems to me to be the ideal symbol of the political situation in Germany today.

By now the matter of this distribution of power is settled. Today the political power rests primarily in the popularly elected parliament. The Bundestag, the house of the *Länder*, has some legislative powers, but the lineup there is again according to parties, and it is the representatives of the *Länder* in their capacity as members of a party or a coalition government who cast their votes. Chancellor Adenauer is in the process of trying to co-ordinate—that has a bad sound in the light of history—the Bundesrat with the Bundestag, by eliminating the Social Democrats from coalitions and by establishing in the *Länder* the same combination which rules the federal government. That is significant, in turn, for the so-called “emergency” legislation. There is a provision for emergency legislation where the parliament can be excluded for six months and the Bundesrat can replace the consent of the lower house. Now, if the

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Bundestag were a really independent body free from party control, it might create the possibility of a bureaucratic dictatorship, but I think that is utterly theoretical because in fact it will not happen. The Bundestag and the Bundesrat will become increasingly co-ordinated, and whoever controls the one will control the other, and for that reason it is most unlikely that that emergency power will be exercised, let alone misused.

There was another difference between the two main parties. The Social Democrats wanted, if I may say so, half a loaf for the whole nation. They wanted, not a constitution, but a statute, but wanted it to be so drafted that it could be applied to eastern Germany when the time came. The Christian Democrats, on the other hand, wanted the whole loaf, namely, a real constitution only for the half-nation, because they were not interested in providing for the access of eastern Germany, for obvious reasons. The Social Democrats wanted an anti-Communist constitution, but they did not want to take the Western Allies into that anti-Communist combination, while the Christian Democrats wanted an anti-Communist alliance all right with the Allies of the West but without the Social Democrats, who after all are the best defenders against communism.

In addition, there was the Bavarian problem. The Bavarians wanted a particularly strong federalistic character of the constitution, and I can perhaps best describe that by telling a little story of the meeting of the main committee. When the last vote was taken on the character and composition of the upper house, the spokesman of the Christian Democrats (not the Christian Socialist Union) got up and said how much he regretted the rejection of their idea to have a senate type of upper house instead of this strange German hybrid of a house composed of the bureaucratic spokesmen of the *Länder* cabinets. Whereupon the Social Democrat got up and said they had been in favor of a senate all the time, and nobody could regret it more than they did that it had not been done. Whereupon the Democrat got up and said that they had had that idea first of all and had been willing even to make a concession: half-senate-half-cabinet type of upper house. Whereupon the Communist got up and said: "Well, gentlemen, now I am at a complete loss to understand

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the situation. Here we have the spokesmen of the three largest parties each regretting that they didn't get something in the constitution which would be in now if you would vote for it." The explanation is simple. This was the price which every party paid to keep the Bavarians in line. But, when the constitution came up with this hybrid type of upper house, the Bavarian delegates voted against it. They know how to have their cake and eat it too. When the constitution came up in their Landtag for the vote, they had two questions: First, "Do you accept the constitution?" No. Second, "Do you agree that if the others accept it you will accept it too?" Yes. And that is what they did.

A last point which I have to make is that much of the character of the constitution depended on the expectations of the relative strength of the major parties. The Social Democrats, as has been mentioned here before, expect that if western Germany ever is combined with eastern Germany, they will become a plurality if not a majority party. The Christian Democrats and the Christian Social Unionists knew very well that in the western Germany of today they have a proportionately stronger position than they will have in all of Germany, the more so since a strong Protestant group joined the Catholics quite openly and decidedly on all issues of cultural and church policy. So the Christian Democrats were interested to put as much as possible in the constitution in order to protect their particular cultural and educational philosophy, knowing very well that to remove it from the constitution would need a constitution-making majority, while the Social Democrats wanted to leave everything to simple legislation, knowing very well that with any combination, even the Communists, they might get something into law which they would not be able to get into the constitution, at least not to the extent to which they wanted it. One has to realize this in order to understand the completely old-fashioned character of this document, which is full of the protection of cultural and educational matters and completely silent about the great issues of social and economic structure and rights. That is not due to the basic old-fashioned character of the group of people who wrote it; it is due to the fact that the SPD refused to put into the constitution what it wanted to have



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there if it could, and the CDU was eager to put everything in, even things which obviously did not belong there.

Where else was the German support of this document? I think that first of all there was a group of what you might call the professionals, and that group still is the strongest single support of the West German political development. From the ministers-president through their whole staffs, through the group of professors and professionals who wrote the draft, through the whole age group of all those elderly people who returned to their past experience and wrote the constitution as a sort of contribution to their own autobiography—which is really what they did—those are the strongest supporters, and they are strong simply because the other groups are not yet established.

Second, there is a vast body of common attitudes which go very deep in Germany today and also cut across party lines and have little to do with primary economic and social concerns. First of all, there was an undercurrent, which nobody who did not check it could realize, of anti-occupation feeling. The constitution was written in an anti-occupation mood, which partly explains also the resistance to any occupation interference. And, mind you, such an anti-occupation attitude might very easily recur. The moment it does establish itself, it will sweep across party lines as sure as anything. There we have a potential element of German political reality which we cannot easily explain in any other terms.

There was, third, an attitude of real anti-National Socialism, again distributed among all the parties. There was also, I think, a very strong resentment against the previous failure both of that type of a system and of the group which supported it. The constitution was, therefore, written in a way as a protection against the famous failure of the Weimar experiment, and therefore there was great emphasis on a workable, stable, efficient government.

And last but by no means least, there was an almost hysteric hatred of communism. Nobody who has not sat in some of the meetings where the Communists took a leading part can really measure the amount of genuine, purely emotional hatred of the

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Communists which prevailed in that group and which prevails, I think, today with the vast majority of the German electorate.

But do not forget that all this was not a new departure but a return to something past, however changed by the intervening years. And therefore the basic law is primarily written, as all treaties are written, as protection against the last catastrophe, against the last war, against the last aggressor. How could it be different? The basic law is written against the last usurper of power, namely, Hitler. You cannot write treaties after a war against the next aggressor. You cannot write a constitution very easily against the next usurper of power. The constitution, therefore, is written in a way—though that is a slight overstatement—even against Weimar. It is a constitution strongly influenced by Weimar both in terms of a precedent and in terms of a mistake which had to be corrected; and, with the true draftsman's delight in the blueprint, the Germans of course exaggerated and overrated tremendously the political significance of constitutional articles. They thought that if only the president were no longer popularly elected he could not misuse his power; if only there was no Article 48, there would be no dictatorship—as if Article 48 was the cause of National Socialism.

As a result, the West German constitution today is like a pipe system which is patched up. Of course, as long as the water flows evenly, it is pretty good. But it certainly will stand less pressure than the Weimar system did, and there is every likelihood that the pressure will be considerably greater. Now, for the time being, we are operating the safety valve, and, as long as we do that, there is no danger at all.

What did the Germans get? First of all, they got a centralistic government. We never defined centralism and decentralization in spite of the Potsdam Agreement. They got a centralistic government primarily bureaucratically controlled. I am not so much worried about the bureaucratic organization of the parties; it has been pointed out, I think correctly, that it does not exist in the Christian Democratic party, and in the Social Democratic party it is balanced to a fair extent by decentralization and local initiative. What there is of centralism in

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the Social Democratic party today is really the person of Schumacher. But there is an enormous amount of bureaucratic control in the German constitutional and governmental machine. Not least, the upper house is a bureaucratic chamber. It is a chamber primarily concerned with the mechanical and technical aspects of legislation. Only if the ministers-president walk in and make a political decision do they accept political orders.

The Germans got, furthermore, a very strong cabinet, again a bureaucratic cabinet. It is a cabinet of bureaucrats in fact, and it can function, I think, only with people who are trained bureaucrats. It has an enormous, well-trained administrative staff. As a matter of fact, I think the German government is as overstaffed as any government could possibly be, entirely out of proportion to the capacities of the country and the needs of the hour. All these people carry into that government all the good traditions of mimicry and adjustment through which and by which the civil service survives through all the changes in German political life.

The Germans got some power of their own. Most of it is, of course, derived power. Constitutionally speaking, of course, the Germans are not sovereign. Today it is all delegated authority derived from the sovereign authority of the occupying powers. But in spite of this theory, in fact the Germans get some underrived power through the East-West tension. They get the power of their position, and that is dangerous in itself. They get the power of one government dealing with three, and as long as we cannot do better than have a three-headed Allied commission, we will always be at a terrible disadvantage. They get also, finally, the access to the arena of power politics, and nothing do they like more. All through this process they have been preoccupied with the problems of power politics, and they love to play the game. They get the power of patronage; there is a great amount of patronage available to the federal government in western Germany today, which is more significant because in a situation of scarcities, poverty, and particularly permits, the bureaucracy is more powerful than in a situation of abundance.

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And they got what I would call a "qualified democracy," undoubtedly. They got it qualified because of the very strict limitations on basic rights which you will find in the constitution, both through legislation and in terms of discrimination against antidemocrats. They get a qualified democracy because of the several gadgets which I mentioned: the emergency legislation, the stability of the government, and the need for a positive no-confidence vote. They also got a government once removed from the people. There is no popular initiative provided. There is, of course, no popularly elected president. The parties have been made a vehicle for the expression of popular intentions as part of the constitutional setup. And I think it is correct to say that thereby popular participation is made considerably more difficult.

I do not overrate constitutions. But the apparatus created by this constitution will develop a life of its own. For Germany it will accentuate the division of the two Germanies; it will tend to maintain it. It will weaken the so-called "parliamentary form" of democracy. It will, I think, discredit all the participating parties, and that goes for the Social Democrats as well as the Christian Democrats, because the Social Democrats are not a real opposition party; they are in the government in the upper house, and they are in the government as coalition parties in many of the *Länder*. One would be able to talk of the Social Democrats as an opposition party only if there were a one-party government established by the Christian Democrats, which may or may not happen.

As for us, we got a German government which reduces our possibility of controls in Germany. I quite agree that, completely aside from the preference of one or the other policy, it is innate in the situation that our controls have to disappear. It will thereby produce an uncontrollable ally—and I think we should realize it—who by his lack of controllability is bound to endanger the process of western European integration. And it will increase our temptation, as it does, to make all the mistakes in the textbook of coddling the Germans, of putting them

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back into the center of the political scene where they love to find themselves, and ultimately of rearming them.

Still the constitution has a strong hold on the German people simply because it established a real machine, and, as far as we are concerned, it will last as long as it is needed, because both for the Germans and for us there is no alternative in view. And I must say that, short of imposing a different one, this was the best we could get.

# THE GOVERNMENT OF EASTERN GERMANY

By OTTO KIRCHHEIMER

I LOVE constitutional law, and I would love nothing better than to talk about this charming little book, *The Eastern German Constitution*. But, unfortunately, this little book has nothing to do with the social-political reality of eastern Germany, and therefore I will mention it only briefly later when I talk about bloc policy.

The question has been raised whether western Germany is, and to what degree, a manipulated society. There is no doubt that eastern Germany is a completely manipulated society. Let me retrace briefly some of the institutional patterns of this society.

First there is the plan. The two-year plan will soon be concluded, and it will be followed by a five-year plan. The plan specifically embraces the industrial sector of German society. Although the means of production are not totally owned by the state, the plan embraces all the sectors of German industry. These sectors which have already been mentioned are: (a) the Soviet joint-stock companies (the Soviet AG's); (b) the publicly owned enterprises; and (c) the private enterprises.

The joint-stock companies, or Soviet AG's, loomed very large at the beginning. They were set up at an early date in order to send reparations directly to Soviet Russia or to guarantee a flow of raw materials to companies which were important from the viewpoint of reparation deliveries. By now the reparations are much more evenly spread over all the sectors of German economy. In the near future there will not be too much difference between the Soviet joint-stock-company sector and the publicly owned sector of German industry. The joint-stock-company sector controls a major share of the chemical, metallurgical, machine, and optical industries.

The publicly owned enterprises control mainly the basic and capital goods industries, whereas private enterprises are still

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found in the food-processing, woodworking, and other consumer-goods industries. All these three sectors are working under the plan.

There is a tight control of industry, whether private or public, through the new investment bank. Every loan over 10,000 east marks in any sector of the economy needs the bank's approval. This permits close government supervision over the investment policies of industry. It is likely that the private sector will eventually disappear or be relegated to an auxiliary or ancillary position in relation to the public sector. In other words, there will be artisans and private repair shops, but no privately owned industries.

The agricultural sector is also controlled by the plan. There are three major groups in this sector. In the first group are the 685,000 small peasants, including 200,000 new farmowners, who received all their land as a result of the land reform of 1945. This group owns about 60 per cent of the land. In the second group are 60,000 large farmowners who own 30 per cent of the land.<sup>1</sup> In the third group are the publicly owned enterprises which embrace 10 per cent of the agricultural land and now are administered by the Association of People's Owned Estates. Production controls and delivery quotas are used to insure the achievement of agricultural targets under the plan. Although the peasants are allowed to sell a certain percentage of their production on the free market, the appearance of the publicly

1. The following table shows distribution of holdings (in hectares) by size groups in the Soviet zone.\*

SIZE GROUP BY AGRICULTURALLY USED AREA	1939		1946			PERCENTAGE OF CHANGE, 1939-46
	Number	Agriculturally Used Area	Number	Percentage of Change, 1939-46	Agriculturally Used Area	
0-5.....	334,190	579,700	332,026	- 0.6	587,077	1.3
5-20.....	191,704	2,056,900	353,613	84.5	3,242,035	57.6
20-50.....	49,484	1,458,800	50,936	2.9	1,460,458	0.1
50-100.....	8,754	537,000	7,618	- 6.6	460,222	-12.6
0.5-100.....	523,532	4,632,400	744,283	27.5	5,758,792	24.3
Over 100.....	6,216	1,788,400	1,260	-79.7	312,684	-82.5
Total.....	529,748	6,420,800	745,443	26.4	6,071,476	- 5.4

\* *Europe's Arkhiv*, June, 1947, p. 750. These statistics are not based upon the final distributions of land; acreage put into public land funds in 1945, but meanwhile distributed, would have to be added.

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owned Handels Organisationen as a monopolistic buyers' organization has whittled down the importance of the free market.

There are also other ways to control the peasants. At first Mutual Peasant Aid Associations were set up to prevent the re-establishment of the traditional social patterns in German agriculture. To some extent, however, the large farmowners were able to make their weight felt in the organizations because the small peasants had to rely on the large farmowners for their superior technical skills and their control of the equipment. Therefore, the Communists gave high priority to establishing the tractor stations as instrument of social and political control of the countryside.

These tractor stations have been used to control and influence the peasants, particularly the small peasants. In addition to furnishing agricultural equipment, these stations act as cultural centers, which in the language of this kind of manipulated society means a supervisory center. The number of tractors in the five hundred stations of eastern Germany has been greatly increased in recent months. Before the spring of 1949 the Soviet Union had delivered about a thousand tractors for the use of these stations. At the end of 1950 the eastern zone government expects to have ten thousand tractors at their disposal. These stations are centrally controlled by a special administrative unit in the agricultural administration.

There are a number of reasons why the government has not instituted more collectivization. The above production controls have been developed to such an extent that the property titles of the farms have but little meaning. Differential delivery quotas allow the government to squeeze the 60,000 big farmowners, although they are being spared temporarily because they are vital for production and because there are not enough new agricultural administrators to take their place. Finally, the government does not want to alienate the small peasants, who are strongly opposed to collectivization of their farms.

This manipulated society needs a huge bureaucracy. There are no recent civil servant figures available from eastern Germany, but, even if they were available, they would have little meaning. In contrast to western Germany special civil service



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status has not been re-established. Also, the demarcation line between civil servants and other employees in a totalitarian state such as eastern Germany, where many employees work for public industries, political parties, and mass organizations, has become indistinct. One of the main characteristics of this new totalitarian society is the sharp increase in those who work for public or party-controlled enterprises in contrast to the decrease of the self-employed middle-class people.

The position of former Nazis in the East German society is also of interest. In western Germany this problem was hard to handle because in a democratic society the question of discrimination poses a very difficult problem. Eastern Germany had no such problems. Part of the Nazis were shot; some were sent to Russia; some were put into German concentration camps; and the rest were given technical and administrative jobs. This policy increased the effectiveness of Socialist Unity party (SED) controls because the party's knowledge of the Nazis' records was enough to insure their complete subservience.

A complete process of centralization of administration has taken place. This process began on the *Land* level, but soon a central administration was established for economic affairs. Later, control in the political and legal fields was taken over by the central government.

There are now fifteen ministries,<sup>2</sup> but the important thing to note is that the direction of the whole setup does not emanate from the ministries but from the Politburo of the Communist party. A good example of this kind of relationship is found in the Directorate in France in the 1796-99 period. The position of the eastern zone ministries to the SED Politburo is exactly like the one between the Directorate and their executive agents. The ministries are administrative organs, whereas the executive power lies exclusively with the Politburo of the SED.

The SED, with its 1,750,000 members, has a hard task in eastern Germany. The population quite justifiably identifies

2. The East German government consists of the following ministries: Foreign Affairs, Interior, State Security, Planning, Finance, Industry, Agriculture and Forestry, Trade and Supply, Labor and Social Welfare, Transport, Post and Telecommunications, Construction, Popular Education, Justice and the Ministry of Internal German Trade, and Foreign Trade and Material Supplies.

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this party with the Russian looting, raping, and dismantling in eastern Germany in 1945. The SED members are also forced wholeheartedly to support the separation from Germany of the territories east of the Oder-Neisse boundary.

This popular pressure against the party has necessitated the maintenance of a high degree of discipline in the party, which in turn has left little chance for the development of deviations within the organization. When the Social Democrats and Communists were merged into the Socialist Unity party in 1946, there was a policy of parity, or of distributing important positions equally among former Social Democrats and Communists.

In spite of this official policy, however, the old-time Communists have more and more replaced the former Social Democrats in important positions. Now only those who have proved to be completely loyal to the Communists are left in leading positions. In the latest official documents prepared for the party congress in July, 1950, parity was officially eliminated.

Deviations within the German SED have not occurred to the extent that they have in some other eastern countries. The most often heard complaint is "practicism" and not "deviationism." This practicism among SED members grows out of the terrific pressure they are subjected to in order to attain the political and economic targets set by the top leadership. The targets often require efforts beyond that which could be reasonably expected, and the attempts of the lower Communist echelons to give in to popular reaction against these extreme demands is labeled "practicism."

It is doubtful that the recent purge of prominent party leaders such as Paul Merker, Willy Kreikemeyer, and Leo Bauer indicates any important deviations from the party line. Although the victims by virtue of their background could be considered as susceptible to Western ideas, the charges against them do not rest on any doctrinal deviations. Instead the party leaders attempt to discredit them in the eyes of the party by smearing their record and accusing them of associating with an alleged American spy while they were *émigrés*. The recent purge seems to be connected with the rise of Walter Ulbricht, deputy premier of eastern Germany, to the undisputed leadership of the

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SED and primarily to reflect his desire to remove all possible competitors.

The party itself is trying to increase its recruiting among reliable working-class elements, especially among the working-class youth in order to counteract "opportunism" or the development of a bureaucratic attitude in its cadres.<sup>3</sup>

In view of the fact that the Communist party has only 1,750,000 members, it is important to note the way in which the population at large is integrated into the activities of the eastern state. In addition to the middle-class parties mentioned below, a number of ancillary mass organizations have been developed. The principal mass organizations are the Free German Youth (FDJ), the Free German Trade Union League (FDGB), the Soviet-German Friendship Society, the Cultural League (*Kulturbund*), the Democratic Women's Organization, and the Farmers' Mutual Aid Union (*Vereinigung der gegenseitigen Bauernhilfe*). These organizations serve two purposes: (1) to mobilize, indoctrinate, and direct various social and occupational groups outside the SED by organizing them on the basis of their specific interests and functions and (2) to increase SED strength by giving these groups an ostensibly independent vote and voice. This latter function is well illustrated by the role

3. The following table shows the new positions reached by former working-class elements in the party. At the same time it gives evidence of the unavoidable process of bureaucratization within party ranks.

SOCIAL COMPOSITION OF DELEGATES TO THE THIRD  
SOCIALIST UNITY PARTY CONGRESS\*

	Social Origin	Employ- ment on Entrance to Party	Present Employ- ment
Industrial workers.....	80.6	65.4	38.7
Agricultural workers.....	4.1	6.7	4.5
Farmers.....	3.6	3.0	7.0
Industrial employees.....	3.0	6.3	2.1
Government employees.....	1.8	3.0	10.0
Employees of public enterprises.....	0.1	0.3	5.7
Employees of SED.....		0.3	15.1
Employees of mass organizations.....		0.5	8.3
Professionals.....	1.6	4.4	4.8
Handworkers and businessmen.....	4.0	0.5	0.2
Miscellaneous.....	1.2	7.8	1.8
Total.....	100.0	100.0	100.0

\* Source: *Neues Deutschland*, July 25, 1950.

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these mass organizations play in the People's Chamber, the lower house of the East German government.

According to the new distribution scheme in force for the October 15, 1950, elections, the mass organizations hold now 30 per cent of the seats, thus more than doubling the voting strength of the SED, which holds 25 per cent of the seats.

The most successful and effective of these mass organizations is the FDJ, with its approximately 2,300,000 members. However, as its formula has been discussed at length, we may immediately pass on to the largest organization, the Free German Trade Union League. It is a highly centralized organization in which the eighteen industrial unions have but little independence. Its leadership is closely interlocked with the party leadership. In so far as the Soviet AG's and the public sector are concerned, the unions have retained only a few genuine union functions. They are predominantly concerned with drives for increased productivity and for higher quality of output and with selling to the workers "the system of efficiency wages" and the benefits of socialist competition. Although the unions negotiate collective agreements with the administration, labor, wage, and price policies are in essence determined by the administration in conjunction with the SED. Only in so far as the private sector of industry is concerned, the trade-unions retain some genuine union functions. The new labor law issued on May 1, 1950, takes great care to underline this difference. In the public sector of industry the worker may utter, if he dares to do so, his opinion in factory meetings; responsibility, exactly following the U.S.S.R. pattern, lies exclusively with the management. In the private sector of industry some genuine union functions are retained in order both to better supervise the industry and to retain the bogey of class struggle otherwise eliminated from the daily practice of social relations. Collective agreements are negotiated, and the worker is incited to ask for higher wages; and codetermination privileges, refused to the worker in public enterprises, are freely granted to the worker in a private enterprise. But the reaction of the worker on the job to the organizational and propagandistic efforts of the official trade-unions has often been disappointing. To be certain, he pays his union dues, especially in the big publicly owned enterprises, where union

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membership became more or less compulsory. Yet the works councils elected by all members of the particular working units more often than not refused to become mere cogs in the official propaganda machine but insisted on representing the interests and grievances of the worker. Therefore the works councils, last vestiges of a democratic organization, were dropped in 1948 and replaced by the factory union groups, which under the direct guidance and pressure of the unions try to bring the workers in line with official policies. But their success has been a moderate one, and the rift between union bureaucracy and the individual worker is as strong as ever.

But one ought to avoid exaggeration. The German worker, even under the conditions of the eastern zone, has his well-known pride in his work, and also there is the system of performance and incentive wages, which is one of the most important social institutions of the eastern zone. It is not terror, but it is plainly the fact that, with only a small margin of personal safety, personal income, and personal consumption for the individual, every chance for the individual to get a little more counts heavily. The system of incentive and performance wages is a very important element in keeping people in line and making them think only in terms of their own individual interest.

It has been said that there is more social equality in eastern Germany than there is in western Germany, but I would consider that statement a pure myth. It is true that in eastern Germany the ties between property structure and the managerial elements have been cut. Status in eastern Germany now exclusively depends on the function which one exercises in the society. In one sense this helped the refugees, because the property-less refugees could find as good or as bad a position as anybody else. But the degree of social equality that exists also depends to an important extent on the share everybody receives in consumers' goods. Thus the East German society that relies heavily on the incentive wage and the performance wage knows little social equality. There is a sharp differentiation in real income among the different categories such as the civil servant who gets his Soviet parcel, the skilled worker who gets a relatively higher wage, and the unskilled worker with his much

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lower wage. It should also be noted that in a society with low living standards, privileges enjoyed by virtue of officeholding or party membership are more bitterly resented than the differentiations in a society where basic consumer goods are within the reach of almost everybody.

Until now I have spoken of the society of eastern Germany as if it were a closed society, completely separated from western Germany. This, however, has not been the case, at least not until fairly recently. So far as the individual's social and economic status is concerned, eastern Germany's institutions are rapidly being molded into the pattern of those of the other satellite states. This change, however, is not so rapid and not so marked in the political sector. The reason is that the Communist policy in Germany has always had the dual aim of establishing communism in eastern Germany and at the same time using this foothold to win domination over western Germany. In order to keep the way open for achieving this second aim, it was necessary to maintain at least a superficial political similarity with western Germany, and this prevented the complete transformation of eastern Germany's political system into the satellite pattern.

In order to maintain contacts with western Germany, the regime utilized the services of the middle-class parties (Christian Democratic Union and Liberal Democratic party). It was also useful to have these middle-class parties as bogeymen to show the workers that there is still some capitalism in eastern Germany. In addition, these parties were handy receptacles for collaborationist middle-class elements whose affiliation with the SED seemed undesirable. Thus the regime could use these elements as administrators without incorporating them into the SED. However, as the middle-class party leaders were required to indorse fully major SED policies, they were faced with a dilemma. If they gained the support of local party organs and dared to oppose the SED, they would have to be replaced by conformist leaders. If they continued to go along with the SED policies, they lost the support of the party members.

Roughly, about the middle of 1950, however, there began a change that may be concomitant with a growing awareness that there is no possibility of gaining a foothold in western Ger-

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many. Although propagandistic activities of the national front are maintained at full blast, the Communists know that western Germany has to be written off for the time being. Therefore, there is no longer any necessity for maintaining the semi-independent character of the middle-class parties, and the last vestiges of semi-independence are being lost in purges, resignations, and flights. Both parties are now approaching the status of the NDP (German National party) and the DBP (German Farmers party), two organizations which were created and controlled by loyal SED officials for the purpose of utilizing peasant and former Nazi elements.

There is a theoretical foundation in the East German constitution for the complete subservience of the other parties to the SED. The constitution adopts the bloc system and starts from the premise that it is the function of every party to participate in the government, thus negating from the beginning the constitutional role of the opposition.

The elimination of the remnants of semi-independent middle political organizations has been accompanied by a tightening of police and political controls. Security is now, as in the U.S.S.R., the concern of a special ministry, while the ordinary police are still controlled by the ministry of interior. The well-trained paramilitary police units that can be used to put down any open opposition are equally centrally controlled. It is significant that the Soviets maintain particularly close control over these key instruments of state power. The law courts, closely paralleling developments in the Third Reich, have lost much of their importance and independent status both because of the independent power of arrest and investigation assumed by the police and because of the disappearance of separation of power. Important political trials, which have become more frequent recently, are now under the jurisdiction of a new supreme court staffed with politically reliable jurists. The appointment to the lower courts of people's judges educated in special six-month or two-year courses gives the regime a more reliable judiciary than that existing even under Hitler. Thus, with laws unanimously adopted or changed by a People's Chamber obedient to the administration, the judicial system operates on the same level as any other administrative organ of the state.

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In view of the formidable array of repression agencies the question arises whether there is an opposition in eastern Germany. If one speaks of opposition in terms of an active opposition, obviously active opposition under the conditions of a regime which becomes every day more and more totalitarian cannot exist. But opposition in terms of people who are still very skeptical of the regime's performance still exists in eastern Germany to a much higher extent than in other satellites. This amount of recalcitrance is explained by the fact that there is in reality, at least until now, no iron curtain between eastern and western Germany. There is extensive travel between eastern and western Germany. In addition, there have been about a million persons since 1946 who fled from eastern Germany to western Germany, which also shows that there is still relatively easy communication between eastern and western Germany. As long as this easy communication between eastern and western Germany is maintained, groups of people who are hopefully waiting for the day of liberation will continue to maintain their identity.

Finally, two questions present themselves for consideration. If eastern Germany is to be more and more integrated into the system of the satellite states, there arises the very ticklish question of whether eastern Germany will be allowed to develop higher living standards than, for instance, Poland or Czechoslovakia or Hungary, or whether the living standard of eastern Germany is to be kept at the lower level of these countries.

The second question is still a more speculative one, but I think it is equally interesting. Assuming that eastern Germany would be reunited with western Germany on Western terms, what would be the influence of the now established social system in eastern Germany on western Germany? Would western Germany be able to reabsorb eastern Germany into the social structure as it exists in western Germany, or would the reunification of Germany work substantial changes in the present social system of western Germany? Would some of the patterns of eastern society—public ownership, far-reaching centralization, the new system of agricultural property ownership—become important determinants in the development of an all-German society?



# GERMANY AND WORLD PEACE

By JAMES P. WARBURG

## I. PAST MISTAKES

THE problem of Germany in relation to the establishment of enduring world peace is one with which most of us have been familiar, if not actively concerned, throughout our lifetimes. Those of us who served in two world wars and who were acutely conscious of the tragic mistakes made after each conflict cannot escape from a sense of repetitive failure. Yet I, for one, do not feel that there is any immutable fate which, in the sense of the ancient Greek tragedies, has fore-ordained a continuation of repetitive disaster. I am convinced that, if we have the common sense and the courage to recognize our mistakes in the past, we shall be able to avoid re-enacting them in the future.

Let me, then, begin by listing what seem to me the outstanding mistakes we have made, or toward the making of which we have contributed, with respect to Germany. In doing so, I shall not delve back beyond the limits of my own firsthand memory.

1. *World War I.*—My category begins with our repudiation, in 1919, of the basis of a just peace laid down in the famous Fourteen Points of President Woodrow Wilson. It is true that, between the enunciation of the Fourteen Points and the German surrender, the Germans had imposed the disgraceful Peace of Brest-Litovsk upon the Russians, showing clearly what kind of a victor's peace they would have made with the Western Allies had they been able to win the war. As a matter of retributive justice, this action on the part of the German militarists would have justified a treaty even more harsh than the Peace of Versailles. But, from the point of view of preserving our own moral position and of making a peace which could reasonably be expected to endure, it seems to me that we would have been wiser to adhere to Wilson's original concept of "peace without victory." Even though the Treaty of Versailles contained pro-

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visions for later amendment, which are all too often forgotten because they were not utilized, it is clear, I think, that the impossible reparation clauses imposed upon the Germans not only sowed the seeds of German irredentism but created the basis for the economic catastrophe which befell the Western world in 1929-32. The idea that the Germans could be forced to pay for the entire cost of the war not only imposed an impossible burden upon Germany but threw out of true perspective the whole question of inter-Allied war debts, leading to false expectations throughout the Western world, to the rise of economic nationalism, to the strangulation of world trade, and to the eventual collapse of the Western economic system.

The second major blunder in which we participated consisted in aborting the revolution which would have taken place in Germany after the surrender of November, 1918, had it not been for Allied intervention. Under Paragraph V of the Armistice Agreement, the Allied armies of occupation threw out the workers and soldiers councils, which had taken over local authority in many parts of Germany, and restored to power the ousted officials of the Kaiser's Germany. The Western Allies were so frightened of the Bolshevik Revolution in Russia—which, at the time, they were trying to help overthrow by military intervention—that they became frightened of *any* revolutionary trend in Germany, for fear lest it follow the Russian pattern. Thus a democratic revolution was strangled at birth, when the only hope for a peaceful Germany rested upon its completion. The failure of the Weimar Republic was, of course, in large measure due to German Social Democratic weakness and betrayal. But the Western Allies made failure certain by lining up with what they conceived to be "the forces of law and order" against those very elements in Germany which might have produced a peaceful democratic development. As a result, the *Junker*-industrial-military clique, which had ruled the Kaiser's Germany, was restored to power and lost no time in plotting the resurgence of an aggressive warrior nation.

2. *Between the wars.*—On the whole, the period from 1920 to the rise of Hitler is not one in which the United States can be blamed primarily for the errors of Western diplomacy. It is

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true that our high tariff policy and our insistence upon the repayment of the Allied war debts contributed to the collapse of world trade. It is true that our repudiation of the League of Nations contributed to the breakdown of that structure. But the United States was not primarily responsible for the dissension between France and Britain, or for the structural defects inherent in the League of Nations, or for the fatal policy of appeasement with which the western European nations met the rising threat of fascism. Our mistakes during that period were mostly sins of omission or errors committed here at home; they consisted in following the will-o'-the-wisp of the isolationist illusion, in going on a gigantic orgy of speculation and thus touching off a world-wide economic depression. There was perhaps one moment at which we might have performed a constructive action and at which we failed to do so; it is just barely possible that, if the World Economic Conference of 1933 had succeeded, instead of ending in failure, Hitler might never have come to power and World War II might have been averted. My own view—much as I deplored the failure at the time—is that it was then already too late to avert the rise of fascism.

There was another moment—after the disgraceful betrayal of Czechoslovakia at Munich—when overt aggression by Hitler might have been averted, if the United States had declared that, in the event of war, it would at once stand by the side of the nations resisting Axis aggression. I, for one, publicly advocated precisely this action at the time, but it is probably true that it would have been quite impossible for our government to obtain public support for such a declaration at that moment. Nevertheless, I believe that such a declaration would have served a more useful purpose then, in 1939, than when we finally made it, ten years later, in the Atlantic Treaty. In summary, I would maintain that our mistakes with regard to Germany in the period between the wars were negative rather than positive, arising out of our failure to recognize our changed position in the world and the increased responsibility which that position entailed.

3. *World War II.*—During the second World War, the first mistake we made with regard to Germany was, in my judgment,

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the announcement in January, 1943, of the policy of unconditional surrender. The pledges of a just peace contained in the Atlantic Charter, of August, 1941, were in many respects analogous to the pledges of a just peace contained in Woodrow Wilson's Fourteen Points. The Casablanca demand for unconditional surrender seemed to conflict with these pledges and to foreshadow their abrogation. While it is doubtless true that President Roosevelt was the author of the Casablanca statement, as recently stated by Winston Churchill, there is another side to this story which should, in justice to President Roosevelt, be known. Those of us who were in charge of propaganda warfare against Germany strongly protested against the unconditional surrender formula as playing directly into the hands of Dr. Goebbels. In May, 1943, I submitted a paper to the President, urging the modification of this formula, because, as shown by prisoner interrogation, the Nazi propaganda machine was most effectively using it to convince the Germans that they had no alternative other than to continue the war until German victory could be achieved. The President was not unfavorably inclined toward a revision and even did some careful editing of the suggested draft. Then Mr. Churchill arrived on one of his visits, and, a day or so after his departure, we were told that the President now considered a revision of the formula inappropriate. Mr. Churchill is no doubt justified in saying that Mr. Roosevelt invented the formula, but it seems to me only fair to record that Churchill was the one who apparently insisted upon sticking to it.

The second great wartime mistake, as regards Germany, was made at Yalta, where it was actually decided to throw overboard the just peace pledged in the Atlantic Charter and to permit both Poland and Russia to annex parts of Germany. This decision logically led to the later annexation by France of the Saar, even though Russia, Poland, and France were all bound by the Atlantic Charter pledges against territorial annexations. Thus, as in 1919, the victorious coalition destroyed its own moral position toward the German people, and thus history began fatefully to repeat itself.

Our third wartime mistake was our failure to develop any

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sort of a coherent plan for the actions to be taken after German surrender. On the credit side of our ledger stands the fact that we were consistently determined not to repeat the mistake of World War I reparations, or the mistake of trying to collect war debts from our Allies. On the debit side stands the incredible nonsense of the Morgenthau Plan, which, though not adopted in the final analysis, nevertheless poisoned the directive (JCS 1067) under which General Eisenhower had to operate, as well as the Potsdam Plan for the four-power government of Germany.

During the period, in 1944, when the battle over post-surrender plans was raging in Washington, I was one of those invited to suggest ideas. The plan which I presented rested upon these assumptions:

1. That only a reasonably prosperous German nation would be a peaceful German nation. (This was in opposition to the Morgenthau school of deindustrialization.)

2. That a reasonably prosperous German nation would be essential to a reasonably prosperous and, therefore, peaceful Europe.

3. That a divided Germany could not be reasonably prosperous. (This was in opposition to the partitioning of Germany advocated by Mr. Sumner Welles and others.)

4. That it is basically not the possession of an industrial war potential *but the will to use it for war* that makes any nation a threat to peace; and that the all-important security question, as to Germany, would be how to destroy the German will to aggression.

5. That the moral regeneration and re-education of the German people would be primarily a problem which the Germans must solve for themselves; that they must be kept under surveillance until they had demonstrably solved it; but that the sooner the victorious Allies cleared out of Germany and placed this responsibility squarely upon the Germans, the sooner would there be any hope of regeneration.

6. That, once Germany had been thoroughly disarmed, her direct war plants destroyed, and all military or paramilitary organizations broken up, the proper task of the victorious Allies

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would be to see to it that the German people had an opportunity to evolve their own social and political structure, without once again falling into the clutches of the *Junker*-militarist-industrialist clique which had dominated the German past. That any political or social structure imposed by the conquerors, no matter how excellent, would last only so long as the conquerors maintained it by force. In other words, that the German people must be allowed to work out their own long-deferred revolution and that we must neither seek to prevent such a revolution, as we had in 1919, nor attempt to impose a revolution from without, as Napoleon had done a century before.

This idea of permitting a revolution to occur in Germany, of letting the German people themselves take care of their war criminals to the greatest extent possible, of permitting a certain amount of bloodshed and disorder in the interests of the catharsis to be achieved—all this seemed highly dangerous and unwise to the men who were trying to work out our post-surrender plans. Again, as in 1919, our policy-making was haunted by the specter of a Communist revolution in Germany—as unlikely then as it had been twenty-five years earlier.

That was in 1944, before the Normandy invasion and a year prior to the fateful decisions of Yalta. Once it had been decided at Yalta to divide Germany into four zones of occupation, after first amputating an undetermined amount of territory in the east, and then to attempt the four-power rule of Germany by an Allied Control Council, it seemed to me even more obvious that we were headed for disaster. It is hard enough to conceive of a single conquering nation successfully imposing a revolution upon a vanquished people. It was to me altogether inconceivable that four conquerors should succeed even in reaching agreement as to what sort of a revolution they desired to impose. Yet that is precisely what was attempted under the ill-fated Potsdam Agreement of August, 1945.

4. *The Potsdam Agreement.*—Having stated this background of rather fundamental dissent from our officially adopted policy with regard to Germany, with which you may or may not agree, the following observations will, I hope, seem at least consistent with the beliefs I have expressed.

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In the first place, I submit that the Potsdam Plan for the four-power government of Germany could not have worked out successfully, even if there had been no Soviet Union involved in the arrangement. It could not have worked out satisfactorily, because no prolonged military occupation could have succeeded in creating a peaceful and democratic Germany; because no four occupying powers could have agreed upon a diagnosis of the German malady, much less upon a cure; and because the Potsdam Plan was contaminated by the Morgenthau theory of making the Germans peaceful through permanent impotence.

In the second place, the four-power plan was foredoomed to failure by two major blunders of Western diplomacy committed at Potsdam. These were the Western acquiescence in an excessive land grab by Russia and Poland and the Anglo-American failure to establish a complete and workable understanding with France.

The Yalta Agreement to establish the Curzon Line as the frontier between Poland and Russia and to "compensate Poland" for the loss of its eastern provinces "by accessions of German territory in the north and west" was bad enough because it repudiated the Atlantic Charter pledge of no annexations. A reasonable case could have been made for a frank statement that these pledges would have to be somewhat modified in the interests of a peaceful Europe. A reasonable case could have been made for eliminating the strategically provocative enclave of East Prussia, and for the transfer to Polish sovereignty of the coal mines and industries of Upper Silesia, in order to give the new Poland an economy properly balanced between industry and agriculture. In my judgment, there was no justification whatever for allowing Poland to annex the agricultural regions of Lower Silesia, Pomerania, and part of Brandenburg. Had Poland been given Upper Silesia and all of East Prussia, it would have been amply compensated for the loss of the Polish Ukraine to the Soviet Union. But, at Potsdam, the Russians demanded possession of half of East Prussia for themselves and were granted this demand for no other reason than that they insisted upon it. Having negotiated this steal for themselves, the Russians then insisted that Poland be further compensated by taking over the breadbasket of eastern Germany; and again the

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British and American negotiators agreed, taking refuge behind the formal stipulation that the final settlement of Germany's eastern frontier would have to await the signing of the peace treaty.

The result of this major blunder was, first, that some nine million Germans were expelled from their homes and crowded into the western rump of Germany and, second, that the new truncated Germany was deprived of an area which had formerly supplied the German people with about 25 per cent of their foodstuffs. This meant that the new Germany would have to import about half of its total food supply, instead of roughly one-quarter. In other words, by agreeing to the Russo-Polish land grab in the East, we made it certain that the Germany of the future would either have to live on Western charity or else become an even more formidable producer and exporter of manufactured goods than it had ever been before. Thus, at the very outset, we copped our own bet of staking the creation of a peaceful democratic Germany upon the limitation and control of its industrial production.

The second major blunder made at the beginning of the four-power experiment was Anglo-American failure to reach a solid understanding with France. Had the Russians had their way, France would have been excluded altogether from the occupation and management of Germany. At Yalta, however, both Roosevelt and Churchill insisted—rightly, I think—that France be included. Accordingly, the French were given a zone of occupation, carved arbitrarily out of the Anglo-American zones, and a seat on the Allied Control Council. But the French were not invited to attend the Potsdam Conference, at which the Control Council's frame of reference was decided, and they were never thereafter brought in as a signatory of the Potsdam Agreement. In part, this was no doubt due to the contemptuous attitude of Russia toward France and in part to the hypersensitive, chip-on-the-shoulder vanity of General de Gaulle, who was then the French chief of state. But, in even greater measure, the resulting confusion was attributable to an almost incredible lack of foresight on the part of the British and American governments.

As a consequence, France was placed in a position to obstruct



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the action of the Allied Control Council—since all its decisions had to be unanimous—without itself being bound by the provisions of the agreement under which the Control Council operated. In addition, the failure of the Potsdam Conference to settle Germany's western frontier, combined with the amputation of the eastern provinces and the forced migration of their populations into the overcrowded western rump, created the very pressures best calculated to arouse French fears. It is therefore not surprising that France, from the very beginning of the German occupation, assumed a dog-in-the-manger attitude, obstructing and vetoing every attempt to manage Germany as an economic and political entity, unless it could first obtain a satisfactory settlement of the Franco-German frontier. If the Allied pledge against annexations was to be jettisoned, France considered itself entitled to annex the Ruhr arsenal in order to protect itself against another German invasion. Failing that, France wanted, at the very least, to see the Ruhr politically separated from any new German nation.

While it is almost certain that the Western Allies would, in any case, have encountered serious trouble with Russia in carrying out the dubious plan concocted at Potsdam, the fact is that, during the first critical months of attempted four-power management, it was France—not Russia—which made progress impossible. French obstructionism provided the original excuse for Russian violation of the Potsdam Agreement and, to a large extent, prevented a timely recognition of the basic disagreements which remained to be ironed out with Moscow. Later on, the mounting difficulties with Moscow overshadowed and obscured the unresolved differences which existed among France, Great Britain, and the United States—many of which still exist today.

One might say that France should have been satisfied with the guaranties to its security provided by the United Nations Charter, or that French fears of German military resurgence were exaggerated. The fact remains that fear of Germany was so deeply ingrained in the French people as to constitute a factor not to be ignored or overridden. British and American failure to take account of this factor produced a long series of misun-

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derstandings and irritations, in the course of which France has been granted some concessions to which it was *not* entitled, without ever being given the guaranty of security to which it *was* entitled.

Anglo-American acquiescence in French annexation of the Saar illustrates this point. This was a concession, contrary to the solemn pledges of the Atlantic Charter and of the United Nations Declaration, which stultified the hitherto relatively clean position—in respect to annexations and “aggrandizement”—of the Western Allies. The annexation of the Saar did nothing to increase French security. On the contrary, it directed German revisionism, which up to that point had been focused on Russia and Poland, against France and the Western Allies as well. Moreover, it became an obstacle to the integration of western Germany in a West European union.

5. *Suggested revision (1946).*—In 1946, after an extended visit to the four zones of Germany, I wrote a series of articles, later followed by several pamphlets and a book, urging a re-examination of our whole Germany policy. The three major points of which I endeavored to convince our State Department were:

1. That we should insist upon reopening the question of Germany's eastern frontier, with a view toward seeking a return to Germany, not of Upper Silesia or of East Prussia, but of the agricultural eastern provinces. This was actually attempted by our then Secretary of State, James F. Byrnes, but completely bungled by the loose language employed in his famous Stuttgart speech. By not specifying the precise territory he had in mind, Mr. Byrnes created the impression that he was demanding a return to Germany of the Upper Silesian arsenal as well as of the agricultural provinces. This led to an instant Russo-Polish rebuff.

2. That we should unequivocally deny the French demand for annexation of the Ruhr and Saar, or even for the political separation of these areas from Germany; because, without them, a Germany already stripped of Upper Silesia could never be anything other than a permanent slum in the heart of Europe. On the other hand, I urged upon our authorities *the*

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*creation of a European Coal Authority to allocate the production and distribution of coal throughout Europe*; this, I maintained, would give the French the guaranty of security to which they were entitled, because, if the allocation of Ruhr coal were placed in the hands of a supranational authority, the Ruhr could never again become a German arsenal. This suggestion fell upon barren ground, although it has now again become relevant, since a similar proposal has been put forward by the French government.

3. Finally, I endeavored to persuade our authorities that the Potsdam Plan was certain to fail—for reasons which I have already indicated—and that it should be superseded by a new agreement, under which the direct four-power management of Germany would be ended and supplanted by a prolonged period of observation and control, exercised by civilian commissions and in internationally recruited police force. This suggestion likewise made no headway.

This brings us to the spring of the year 1947, when the United States embarked upon the Truman Doctrine of containment and when Secretary Marshall, then newly appointed, went to Moscow for the last real four-power conference on Germany. As you know, this conference ended in a complete deadlock. As I see it, from then on the problem of Germany ceased to be a problem in and of itself; from then on, Germany has been merely one of several battlegrounds in a cold war between Russia and the West; from then on, the real problem of Germany in relation to world peace has been obscured and lost sight of in the frantic maneuverings of a sterile power struggle.

6. *The cold war.*—The frame of reference of today's discussion does not permit an analysis of our whole cold-war policy. I can only conclude this part of my paper, which deals with an attempt to analyze our mistakes with regard to Germany, by briefly discussing what I conceive to have been our two major errors on the specifically German battlefield since March, 1947.

Our first cold-war mistake in Germany was to accept, as more or less final, the separation of eastern and western Germany and to proceed on the assumption that western Germany could be made into a bulwark against Russia. We did not, it is true, go

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to the extent of following Herbert Hoover's advice, which was to make a separate peace with a new West German state. But we did take the initiative in creating a West German Republic, thereby making it possible for the Russians unfairly but effectively to lay upon the West the onus of having formally partitioned the German nation. Furthermore, the manner in which this move was undertaken (in combination with a currency reform applied to the western sectors of Berlin) provided the Russians with an excuse to carry out the obvious countermove. It required no prophetic gift to warn, as I did more than six months before the Russian blockade of Berlin, that the creation of a West German state would provoke a Russian attempt to oust the Western Allies from the German capital. Yet we stumbled into the clearly foreseeable Berlin crisis without the slightest idea of what to do when it arose. The brilliant improvisation of the airlift did eventually get us out of the dilemma and even gained us an unexpected propaganda victory, but the airlift did not, and could not, solve the Berlin crisis, which, as you know, is still with us today. Moreover, the creation of the West German Republic was followed by the inevitable countercreation of the East German puppet state, thus freezing the partition of Germany and the partition of Europe.

Our second cold-war mistake in Germany was the consequence of the unfulfillable commitment we undertook in the military defense program which accompanied the Atlantic Treaty. By the treaty itself we undertook to try to prevent a Russian attack upon western Europe through making it clear that we should regard such an attack as an act of war against ourselves. So far, well and good. But, under the military assistance program, we undertook—very irresponsibly, I think—to defend the frontiers of western Europe against invasion, in the event that an attack should occur in spite of the deterrent provided by the treaty.

This meant, in effect, that we were undertaking to hold off a Russian invasion of western Europe somewhere in central Germany. Yet it was abundantly clear that we had no intention of doing any of the things which would be necessary to make the fulfilment of this pledge possible. The West European nations

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had less than a dozen divisions, and not even these were fully trained or equipped. The billion dollars of aid we proposed to furnish would, at best, equip four modern armored divisions. We ourselves had a total combat force of only ten divisions and no intention of sending all our troops to stand guard at the Elbe or the Rhine. The only way in which it seemed possible, even in theory, to make western Europe defensible against fifty to a hundred Russian divisions thus became the rearmament of western Germany. For the last six months we have been uncomfortably sitting on the horns of this dilemma. The military men say that there is no way of carrying out their assignment, unless German infantry is included in a western defense force. The political men—or those of them who have retained a modicum of common sense in spite of the cold-war hysteria—recognize that rearming Germany provides no answer at all. For one thing, there would be no guaranty that the Germans would be willing to be remilitarized, or that, if rearmed, they would necessarily fight on our side. For another thing, the rearming of Germany would almost certainly destroy the already dubious fighting morale of France.

Until the whole aspect of the German future was dramatically changed by the French proposal of May 10, the following was the sad state to which our German policy had brought us:

1. In our preoccupation with the cold war against Russia, we had lost sight of the fact that there could be no peace without a united Europe and that there could be no united Europe without a united Germany. Because the cold war had become an end in itself, we were more concerned with integrating western Germany in the defense of western Europe than with uniting Germany and thus laying the foundations of lasting peace.

2. We had reached the point of seriously considering German rearmament—which would destroy whatever hope there might be of the development of a peaceful, democratic German nation—as the only means by which we might fulfil the unfulfillable commitment of the Atlantic Security Program. Instead of recognizing that the only way to protect western Europe from being overrun by Russia was to prevent the outbreak of war, we were considering an illusory method of winning a war with

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Russia—namely, by rearming the Germans—and thereby running the grave risk of provoking the very conflict we sought to prevent.

3. In our anxiety to create in western Germany a bulwark against communism, we had neglected land reform, the reform of the school system, and the protection of the German people against the revived power of the industrial monopolists, thereby helping to re-create those very features of German society which had, in the past, produced an aggressive authoritarian state. By our eagerness to see what we call "free enterprise" re-established in Germany, we had abetted the elimination of governmental controls from the German economy, thus fostering the re-emergence of a class society with the emphasis upon profits rather than full employment. In our haste to "get things going," we had allowed denazification to become a farce.

When Secretary Acheson went to Europe in April, 1950, he took with him nothing but the dismal determination to persuade the leaders of the Atlantic community to adhere steadfastly to the hazardous experiment of containing Russia by "integrating" with a western Germany which could be neither defended nor trusted to manage or defend itself.

### II. THE RUHR PROBLEM

When Mr. Acheson became Secretary of State, in January, 1949, an agreement had just been signed by Britain, France, the Benelux countries, and the United States, concerning the future of the Ruhr area. This so-called "Ruhr Agreement" was then still subject to ratification by the respective governments. Presuming upon a friendship of long standing, I ventured to suggest to Mr. Acheson that this agreement be restudied and revised.

1. *The agreement of 1948.*—You will recall that the agreement, as signed in December, 1948, and subsequently ratified, provided for the establishment of an International Ruhr Authority to "assure disarmament and demilitarization of Germany; to further recovery of the countries of Europe, including a democratic Germany; and to promote that intimate association of their economic life which in the last analysis alone can

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assure a peaceful and prosperous Europe." The method by which the authority was to carry out its threefold function was through "allocating coal, coke and steel from the Ruhr as between German consumption and export," that is, consumption by other European countries. The language of the agreement indicated clearly that the intention was to make the allocations consistent with the operations of the Marshall Plan for the recovery of the sixteen nations of western Europe.

My comments were the following:

1. The agreement is good in that it does not fall into the error of attempting a political separation of the Ruhr from Germany, which would inevitably cause active revisionism.
2. The agreement is good in that it puts a final quietus on the ridiculous Morgenthau proposal to destroy the productivity of the Ruhr area by removing the industries and flooding the mines.
3. The agreement is good in that it attempts at least some integration of German productivity with the needs of Europe.

On the other hand:

1. The agreement imposes upon Germany the duty to accept the permanent regulation of her production in accordance with the needs of Europe, *without imposing a similar obligation upon any other European country*. This is neither wise nor just. It will, in the long run, provoke passive, if not active, resistance. It may well produce a more dangerous form of revisionism than even the political amputation of the Ruhr area.
2. By perpetuating the emphasis in demilitarization upon the limitation of production, rather than upon the demilitarization of the German mind, the agreement perpetuates the fundamental error of past occupation policy.
3. By leaving undecided the question of who is to own the Ruhr mines and industries, the agreement opens the door to a recapture of control over the German social structure by the very elements which have, in the past, made Germany a warrior nation.
4. By its acceptance of a divided Germany and a divided Europe, the agreement becomes merely an implementation of the Marshall Plan for western Europe and fails to contribute in any way toward a reintegration of the entire European economy.
5. In so far as the Marshall Plan is in great danger of becoming wholly submerged in the cold war against the Soviet Union, the Ruhr Agreement itself is likely to be interpreted and carried out as an instrument of the cold war. This would have one of two consequences:  
Either—in spite of the assurances to France contained in the agreement itself—Germany will become involved in the creation of a "defense force" for western Europe;  
Or—and this is more likely—Germany will be kept demilitarized, according to promise, while the rest of western Europe turns its production to rearmament. This would have the effect of making western Europe dependent upon

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Germany for most of its peacetime requirements and would place Germany in a highly favorable position to compete for the export markets so badly needed by the other European countries. Since this would be intolerable, the long-run result would most likely be the re-creation of a European steel cartel along prewar lines. In other words, we should again see a dividing-up of markets and a system of quota production designed not to raise living standards throughout the world but to limit production in order to protect profits. This danger is directly related to the probable return of the German steel industry to private ownership.

In summary: the Ruhr Agreement is a belated attempt at a constructive solution, stultified by failure to face the real issues, and distorted by the exigencies of the overriding cold-war context.

2. *Alternative suggestion (1949).*—Let me now recall a few basic facts about the Ruhr, before we discuss the alternative.

Three factors gave the Ruhr area of less than a thousand square miles its original importance: a fabulous deposit of high-grade coal; easy access to the near-by iron ore of Luxembourg and Lorraine; and cheap river transport, later augmented by an intricate network of railways and canals. Capital investment in plant facilities and the development of a compact force of highly skilled labor completed the picture.

In spite of war damage, the Ruhr was still the most important single industrial area in Europe. Its prewar output of hard and soft coal exceeded 120,000,000 tons per annum. Its steel capacity was more than 20,000,000 tons. In the past, the Ruhr not only formed the core of German industrial development and of German warmaking capacity; it also directly affected the industrialization—or lack of industrialization—of other countries. The brains of the Ruhr coal and iron masters wove a spiderweb of restrictive monopoly over the whole Continent. German steel barons—aided by their counterparts in France, Belgium, Luxembourg, and England, and financed largely by American capital—extended the tentacles of their power beyond Europe into Latin America and other distant parts of the world. Similar developments occurred in the heavy chemical and electrical industries.

The result of this intricate, German-dominated cartel system was not merely the extension of German economic power over large parts of the world but the retardation of industrial development in many other countries. To a large extent this ex-



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plains why France never modernized its factories, never adopted mass-production methods, and fell hopelessly behind Germany in industrial development.

This background led me to the conclusion that two aspects of the Ruhr problem had to be considered: first, how to utilize its great productive capacity in the best interests of a peaceful world and, second, how to sterilize the Ruhr's destructive centrifugal potential.

Viewed in this light, it seemed to me that the agreement of 1948 fell far short of the requirements. It failed to harness the Ruhr to the best interests of a peaceful Europe, because it presupposed a divided and far from peaceful Europe, attempting to utilize the Ruhr as the coal arsenal for a continuing cold war. It failed to sterilize the Ruhr's destructive potential, because it created the very conditions that would lead back to monopolistic control and the creation of restrictive cartels.

My memorandum to Mr. Acheson therefore suggested that it would, in the long run, prove impossible to establish one principle for German coal and a different principle for French coal, or Belgian coal, or—eventually—for Polish coal. We could not expect to make Germany into a permanently second-class member of the European family.

The situation would be very different, I maintained, if the Ruhr Authority were to be set up as the precursor of an *All-European* Coal Authority, and if the Allies now said to the Germans: "You will have to accept a second-class status until you have demonstrated your moral regeneration, but, in the end, we are all going to impose upon ourselves the same obligations toward each other and toward the European community, which we are now imposing upon you." It would be better yet, I said, if, instead of promising to do this at some future date, the countries of western Europe would forthwith establish an authority to handle the allocation of *all West European coal*, stating, as they did so, that the door would always remain open to the nations of eastern Europe as well.

This much, I thought, could be done even within the framework of a cold-war policy. In fact, it would provide a more effective cold-war policy while, at the same time, creating the means

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of eventually liquidating the cold war. Instead of playing into Russian hands by proposing an unjust and intolerable permanent status for the German people, we should be frustrating the Russian appeal to German nationalism by clearly pointing out the road along which a regenerate Germany might once again find its way back into the family of nations. At the same time, instead of confronting the Russians with a closed door in the Ruhr, we should be indicating the only way in which the Russians might some day gain admittance to an All-European, instead of merely a West European, Coal Authority. If such an authority were to come into being, the control of coal—and hence of steel production and armaments—would be vested in a supranational group which could make preparation for war by any nation well-nigh impossible.

3. *The French proposal (1950).*—Nothing came of this proposal at the time, but you will note its striking similarity to the proposition recently advanced by Mr. Schuman.

The French proposal goes further in that it provides for the supranational control of steel as well as coal. This may entail technical difficulties, especially in view of the fact that some European steel industries have been nationalized, while others have not.

What interests us here is the American reaction to the French proposal. Secretary Acheson issued from London a formal statement hailing the objectives of Franco-German *rapprochement* and European integration and welcoming the French initiative in that direction, but he noted that "the proposals must await the availability of details." The significance of the latter phrase was perhaps explained in a Washington dispatch to the *New York Times* by its diplomatic correspondent, James Reston. This unusually well-informed and reliable reporter stated that "Washington had some misgivings" when the text of the French proposal was received, because the proposed organization would be "open to all countries who wished to participate in it" and because the proposition was to furnish coal and steel "to all countries" on "equal terms."

"This at first raised one or two questions here," Mr. Reston reported. "Secretary Acheson had gone to Europe convinced

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that the cold war was here to stay and that the Western nations must organize together to fight that war. But did Mr. Schuman agree? Was he trying to organize the West to fight the cold war, or was he making some kind of general offer designed to liquidate the cold war?"

Mr. Reston went on to report that these questions were answered in "various official telegrams to the State Department and the French Embassy." The upshot of these answers, as reported by Mr. Reston, was that Mr. Schuman shared Mr. Acheson's desire to unify the Western nations, that his first aim was to bring together Germany and France, but that he meant what he had said about the new supranational organization being "open to all who wished to participate"; on the other hand, the French explained that it appeared extremely unlikely that the Communist nations would wish to give an international authority the power to direct their coal and steel production.

What better illustration could there be of the extent to which we have become the prisoners of our own past mistakes?

The French proposal, before Mr. Schuman was forced to give this explanation, would have put the Russians on the spot. If the Poles or Czechs should wish to join the European Coal and Steel Authority, they would have been excluded not by the West but by the Kremlin. If the authority worked out well over a period of time, it seems fairly obvious that *all* the European nations would eventually wish to participate, and, if they actually did join, a great step would have been taken toward making a shooting war unlikely—if not impossible—and the cold war would have been all but liquidated. The great virtue of the French proposal was precisely that it *might* operate toward ending the cold war, and yet, that, if it failed to do so by reason of Russian intransigence, it would vastly strengthen the Western position in the cold war by clearly throwing the onus for its continuance upon the Kremlin.

The cold-war warriors in the Department of State were apparently unable to recognize the subtle virtue of the French proposal. They had to be assured that Mr. Schuman "was trying to organize the West to fight the cold war" and not "making some kind of general offer to liquidate it." Perhaps, had Mr.

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Acheson been at home, instead of in London, these questions would not have been asked by Washington. Mr. Acheson is not one who would fail to understand subtlety or to play up to the finesse of a subtle partner. On the other hand, perhaps even Mr. Acheson had reached the point where it seemed to him "politically impossible" to approve any proposal which might conceivably end the cold war, for fear lest it be denounced in Congress as appeasement or the product of master-spies.

At any rate, this appears to be the point to which our negative foreign policy has carried us. The communiqué on Germany, issued on May 14 by the Big Three foreign ministers, made no mention of the Schuman proposal, indicating that it was being referred back for study. On the other hand, the communiqué did get our German policy back on the rails by clearly reaffirming our recently obscured and apparently forgotten objective of bringing about the unification of Germany and by unequivocally repudiating the idea of making a separate peace with the present West German state.

### III. A LOOK INTO THE FUTURE

In spite of the rather long history of dissent, which I have here recorded, I feel for the first time that the future is not without considerable hope. If the French plan is adopted—if a European Coal (and perhaps steel) Authority is created—and if this is done with the sincere desire to make it not merely a West European but an All-European Authority—the first step will have been taken toward rectifying some of the major mistakes of the past. Even then there will remain many difficult problems, both with regard to Germany and with regard to the over-all context of foreign policy in which a German solution may eventually be reached. We have gone a terrifyingly long way down the wrong road, within Germany and in the world-wide context of which the German problem is only a part.

We need, in my judgment, not merely to take a new look at the kind of Germany we have been helping to create; we need even more to re-examine the kind of world we have been helping to create. The negative policy of stopping Russia—without knowing what we should do if we had Russia stopped—is not a

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policy worthy of the United States of America. Nor is it a policy that could conceivably lead to enduring peace. We have been letting Moscow pipe the tune to which we have been dancing. Being relatively rich in dollars and poor in constructive ideas, we have been trying to fight ideas with dollars; and now, with the dollars beginning to run out, we have confided our last best hope of peace into the hands of scientists, instructed at all costs to keep us "ahead" of all other nations in the development of ever more horrible weapons of mass destruction. If we pursue this course much longer, we shall either provoke the war we seek to prevent or else end up by becoming more and more like our totalitarian enemy. We have already reached the point where to suggest, as I have suggested, that the cold war is not an end in itself is to invite the accusation of being an appeaser or a fellow-traveler.

Yet, if I may hazard a guess at the future, I think that we have already passed the low-water mark in our period of hysterical paralysis and intellectual and moral bankruptcy. Surely, if France, which has suffered a far more severe traumatic experience than we, can now rise above its deeply ingrained fears to constructive leadership toward peace, we, the people of America, can do no less. I hope, and even venture to believe, that we shall do far more.

## GERMANY AND EUROPE: BATTLEGROUND, BASTION, OR BUFFER

By RICHARD M. SCAMMON

**B**ATTLEGROUND" I take to mean more or less the preservation of the status quo in Germany as a whole. In a sense, of course, Germany, perhaps more than any other area of Europe, has been, is now, and will continue to be a battleground—at least of ideologies, of movements, of people—in a cold, tepid, warm, hot, or whatever kind of war exists. In a sense it will, no matter what the solution of present problems may be, or lack of solution, continue to be a battleground. But in the sense that it is meant to be a maintenance of the status quo, the maintenance of a divided Germany not in either of its halves really tied in closely with any other power center of Europe or of the world, I think it would be an unreal possibility. Eastern Germany is obviously being closer and closer knit to the general scheme of things in eastern Europe. Its political and economic and social institutions are being rapidly patterned after those extant in the Soviet Union and in the other satellite states. As a matter of fact, the replica becomes almost rubber-stampish in its details, and as eastern Germany remains apart from the western area, I think we can presume that whatever its legal status as a "German democratic republic," as a full-fledged state in the Soviet satellite group, or as eventually perhaps even a part of the Soviet Union itself, it will in fact be closer and closer integrated with the power system of eastern Europe.

Western Germany, in turn, becomes in the development of its own institutions linked with western Europe, at least in economic and political meanings and perhaps as well in defense ones, as it grows further and further apart from the East and as it more and more becomes at least a semi-independent state. The current pressures which exert themselves on the two Germanies from both sides of the Iron Curtain will, I suggest, con-

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tinue, perhaps not indefinitely but at least for a considerable series of days and months and years. There is no reason to believe that, if present circumstances continue, present trends will not also continue. In terms of the battleground concept itself, we may well find in Germany more physical aspects to this battleground between East and West than we will in France or in Norway or in the United Kingdom, for example. As long as Berlin is maintained in its present position, it will be constantly a battleground between East and West; we will continue to see the struggle between subversion and countersubversion and counter-countersubversion; we will continue to see the development of such instances as the Helmstedt riots yesterday or day before yesterday. These situations will continue, perhaps only because Germany in physical fact does lie at the frontier point between these two areas, and frontier points are notoriously marked by this kind of a battleground crisis situation.

Let me skip over "bastion," on which I would like to spend more time later, to "buffer," and speak of it very briefly before we move to the third possibility. By "buffer" I presume that we are speaking primarily of the neutralization of Germany, the creation of even more of a vacuum than now exists in that area, some kind of agreement between the East and West which would, presumably in good faith on all sides, produce a sort of agreed no-man's land in which there would in fact be an agreement not to combat too much, not to subvert too much, not to infiltrate too much; a sort of an agreement to disagree outside the limits of this area. This, of course, depends basically on whether or not we feel that the Soviet Union wishes such a policy in Germany; whether it wishes it or is willing to accept it; whether, having accepted it, it would maintain it. To both of these I would suggest the answer would appear from the evidence to be in the negative. I would doubt that the Soviet Union now is anxious to give up those things in eastern Germany which it would have to give up if indeed an integrated Germany were to become a neutral Germany. If one were to ask "Will the Soviet Union be willing to agree to an integrated, neutralized Germany in which it does not have to give up its special power position in eastern Germany?" I think that the answer

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would most likely be "Yes," for the Soviet would hope to extend the power control that it has in eastern Germany on through the West. But this, of course, is an unreal question. Our policy-makers would not be so completely fooled into going along with such an arrangement as that postulate might suggest. So I think that in the sense that we would require from the Soviet Union such evidences and earnestness of good faith as the abolition of the paramilitary police in eastern Germany, the holding of truly free elections—and by that I do not mean free from Sunday daybreak until Sunday twilight, but I mean actually the permission of that type of free atmosphere in which only truly free elections can be held—these and a whole series of other concessions would be required if we were to have the democratic base in eastern Germany which would make neutralization possible from our point of view.

Actually, of course, it might be suggested that a neutralized Germany was really the aim of our foreign policy in Germany, that we originally sought to set up a four-power control of this area which would be demilitarized, denazified, democratized, and, in the view of some at least, considerably deindustrialized—the four *d*'s of which we spoke a few years ago. If in fact that arrangement had been carried through and if those four *d*'s had been applied by a four-power rule, actually we would have gotten today a neutralized Germany, standing as a virtual power vacuum between East and West. Even under those conditions, even had we been able to create that neutralization, it would not have been long before one dynamic factor or another would have found its way into this created vacuum and have made of it something of a power adherent to one side or the other. Vacuums do not exist very long in international affairs. I doubt if one could have been created in Germany; if it had been, I doubt if it would have lasted very long; I doubt if now we could create one under the special circumstances under which we are conducting international affairs at this time.

Let me pass, then, to the third possibility which has been suggested: the "bastion." The integration of western Germany into western Europe is, of course, one of the cardinal points of our own foreign policy. We have, of course, all seen physical



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evidences of this general policy. Our hope, particularly in terms of our economic aid, that something be undertaken to integrate western Europe, moves toward the Council of Europe, recent Schuman proposals which are even now being discussed—all of these things point to this general concept of the integration of western Europe and of the participation of western Germany in the life of western Europe.

Western Germany has always been regarded as particularly useful to have in this type of integrated Europe, I think, primarily because many people have felt that this would give us about the only real method of keeping undemocratic elements of Germany from again seizing control of that state, and because it would offer an outlet in which the German dynamic could find expression in Europe as a whole or in European overseas territories. So it has been an idea which was widely held in this country, and is widely held now, that Germany should be integrated, be made a part of western Europe.

Unfortunately, this whole trend of thinking has come again and again up against the facts of control, of occupation, and of a victor-vanquished relationship which still exists, and the problem of integration of Germany into western Europe has been primarily the problem of the relationship of a controlled area to an uncontrolled area. Second, it has been the specific power relationship vis-à-vis the French and the British. As you know, the French have always been reluctant to proceed with any scheme of integration in western Europe in which the British were excluded, either by themselves or by others. The French have always felt that it would be catastrophic to their interest, and in their view to the interest of Europe generally, to leave them, the French, alone on the Continent with the Germans. And perhaps, if it comes to fruition, one of the greatest developments of the Schuman proposal will be in fact the demonstration that the French are prepared to go forward with schemes of integration, schemes of development in western Europe, without British participation. If this be the case, then I think we will have a splendid development on the European Continent and one that can be to the advantage of the European states and to the advantage of the United States as well.

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Whether that will happen, whether in fact these proposals will be carried through without British participation, if the British do not wish it, remains to be seen.

So the problem of integrating western Germany into western Europe and making it a part of this bastion we hope we are building in western Europe lies, first, in the problem of controlled areas and, second, in the relationship of the French and the British to Germany. But it lies also in the general security problem of Germany as an area of Europe, and this is a problem which we have sort of skirted around in the past; but it is a very real one in the minds of Germans and a very real one in the minds, I think, of all Europeans. If we tell a German that we are prepared to defend Europe at the Rhine, he will of course point out to us that he is in front of the Rhine, and he will ask what is to happen to him, just as a Frenchman, should we say that we are prepared to defend Europe at the Channel or at the Pyrenees, will point out that this leaves him out; and he wants to know what happens to Paris and specifically what happens to him and his ship and his family and all the rest of it. And, we might add, this is a perfectly reasonable question.

So far we have not been willing to give the security guaranties required to permit a disarmed Germany to feel secure, nor have we been willing to permit the Germans themselves to arm and to provide a measure of security for themselves. We have, in a sense, a temporary answer to this problem by the presence of Allied occupation troops in the German area and by the extension to them of the provisions of the North Atlantic Treaty. But the defense offered by such troops is necessarily a token defense, and a defense, we might say, in the future rather than in the present. It is simply, if you will, an earnest of good faith. Now whether or not this will be an adequate security guaranty to the Germans, I rather doubt. I think that they will take the view, and indeed have taken the view, that an arrangement of this sort is fine for their future liberation, as the French or any other occupied country would point out, but does not do them much good at the moment of actual invasion.

I do think that one of these problems in these next months and years with respect to actually integrating Germany into a

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bastion in western Europe is to get our own thinking straight as to how much security we are prepared to let the Germans build for themselves or how much security we are prepared to build for them. This in turn, of course, is a part of the general problem of building security and building the defenses of western Europe to a point at which there is in existence in that area at least a force adequate to deter the Soviet Union from military adventures that it might otherwise undertake.

Now we have some of the indications of this type of thinking at the present time. More and more the occupation troops in Germany are being regarded as a part of the German defense force. More and more the financial and physical contribution of the occupied German area to the support of these troops—barracks, training fields, whatever it may be—is being thought of as a contribution to North Atlantic defense, and it may be that we are moving generally along the direction of an increased German participation in North Atlantic defense operations generally. This is, of course, basically a political rather than a military problem. It is a question of how much we may lose in other areas if indeed we proceed with any substantial integration of Germany into the western European defense system. It is a problem which will not and is not now an easy one, but it is a problem, I suggest, that we must meet if we are going to have any really successful European defense policy—or, indeed, any really successful European policy at all.

In general, in speaking of this question of security and in speaking of the question of the relationship of western Germany to western Europe as battleground, buffer, or bastion, we cannot speak of this only as a German problem, particularly when we speak of buffer—for in this matter of neutralization we must understand that we are speaking not only of attitudes that exist in Germany, or viewpoints or possibilities of policy which exist in Germany, but in fact of policies and viewpoints and possibilities of policy which exist obviously in Switzerland and Sweden, which exist to a considerable extent in France, to a certain extent in other areas of the European Continent as well. This general problem of neutralization, of "bufferism," is a general problem which exists not for Germany alone but for the whole of the European area. The hope of a "Third Force,"

## BATTLEGROUND, BASTION, OR BUFFER

the hope of some kind of monastic escapism, the hope of a way out of the conflict between East and West exists not only in Germany but indeed on the whole of the European Continent. How this is going to be resolved, and how Europe is to be actually given a sense of confidence, a sense of economic and political power, a sense of defense reality against threats which menace it from the East, is of course one of the greatest problems which we in this country must face in the making of our foreign policy in the next months and years. But I think actually that in terms at least of western Germany and in terms of the alternatives which have been laid out for us,<sup>1</sup> we must assume that western Germany is already, to a very real extent, integrated into western Europe in so far as integration exists in western Europe at the present time; that at least the present government and, so far as one can see, its possible alternatives—though that is perhaps a bit more questionable—see their own future in some kind of linking with western Europe. Now whether they see that western Europe linked in turn with the United States or whether they see it as a neutralized and semi-independent or perhaps completely independent bloc of its own is another question; but I think they do see it as a part of western Europe, their fate the fate, good, bad, or indifferent, of that area generally.

So that in terms of Germany and its position in world politics for the ensuing months and for the ensuing years, I think we have to say that, with the exception of a minority, the German position in the West is already fairly well integrated into that of western Europe as a whole, though the whole of western Europe is not necessarily integrated with the policy of the United States. Alternatively, in the East, more and more, the development of circumstance and politics will show that the eastern area, now under the control of the Soviet occupation forces, will in fact become closer and closer integrated (1) with the Soviet Union, (2) with the satellite area as such, and (3) with the whole complex of the eastern area that is now being built up. In conclusion, then, we can say that actually the possibility of battleground exists and is present, the possibility of buffer is most unlikely, and the possibility of bastion is really here.

1. See the chapter by Hans Morgenthau in this volume, pp. 76-88.

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